

CHINA RESOURCES (HOLDINGS) CO., LTD.

SUSTAINABILITY REPORT

2024

Heading towards the "Newness"
Leading with "Quality"

Heading towards the "Newness" Leading with "Quality"

The year 2024 marks a critical year for implementing the "14th Five-Year Plan" and advancing the transformation and development of China Resources (Holdings) Co., Ltd. ("CR", "China Resources Group"or "the Group") to new heights. For the 18th consecutive year, CR has published its Sustainability Report, embarking on a new journey of social responsibility in this era.

We remain steadfast in our original aspiration and mission, focusing on "people's livelihood" and "the pillars of a great power", proactively embracing transformative changes, and vigorously nurturing and developing new quality productive forces. With a steadier, more precise, and more optimized pace, we tread the path of responsibility, moving towards new paradigms.

We prioritize high-quality development, embedding the pursuit of "quality" across strategic decision-making, operational management, product and service delivery, and social responsibility initiatives. By upholding higher standards and greater resilience, we shape core competitiveness for the future, leading with quality.

Looking ahead, China Resources Group will actively pursue its mission and vision of "Leading Business Progress, Creating a Better Life Together", injecting greener, more inclusive, and more sustainable momentum into society.



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Wang Xiangming Chairman of CR

Message from the Chairman

Continuing the Revolutionary Legacy, Collectively Building a Responsible Future

The year 2024 marks a critical year for implementing the "14th Five-Year Plan" and advancing the transformation and development of CR. Over the past year, amid a complex and challenging external environment and demanding reform and development tasks, CR has steadfastly adhered to the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era. We have resolutely implemented the decisions and directives of the Central Committee of the Communist Party of China (CPC) and the State Council, embracing the "two major situations" and keeping in mind the "paramount interests of the nation". We prioritized high-quality development, pursued steady progress while addressing risks and reforms, and strengthened party building. These efforts significantly contributed to fostering a clean political environment, stable economic conditions, and social harmony and peace, showcasing the Group's new initiatives and image as a central state-owned enterprise with a revolutionary legacy.

By upholding ideals and fulfilling our political responsibilities, we continuously lay a solid foundation for development. We have consistently prioritized the study, dissemination, and implementation of the spirit of the 20th CPC National Congress and the Third Plenary Session of the 20th CPC Central Committee as the cornerstone of our party-building efforts for the year. We have articulated a clear strategic vision of "upholding political principles, promoting reform, strengthening innovation, pursuing development, and forging a new chapter". We have always adhered to the "two fundamental principles" and earnestly implemented the general requirements of party building in the new era. We steadily promoted the normalization and long-term implementation of history learning and education, improved mass organization union bodies, strengthened the supervision of "key minorities", especially "leaders", and completed comprehensive internal inspections to achieve higher-level development goals.

These efforts have translated General Secretary Xi Jinping's important instructions for CR into actionable outcomes, embodying our commitment to enhancing the "Four Consciousnesses", strengthening the "Four Confidences", upholding the "Two Establishes", and achieving the "Two Upholds" in both our work and actions. We firmly grasped the theme of high-quality development, steadfastly pursued stability as a foundation while seeking progress, strived to enhance core functions and core competitiveness, effectively addressed the difficulties and obstacles constraining transformational development, proactively responded to challenges, and played an important role in "stabilizing the overall business" of central state-owned enterprises. The Group's main operating indicators continued to make steady progress and achieved new highs and the ability to preserve and enhance the value of state-owned capital was further strengthened. The turnover and profit of the Group ranked among the top tier of central state-owned enterprises, while its competitiveness, innovation capabilities, and risk resilience were significantly enhanced, marking solid strides in high-quality development.

Embracing "innovation-driven" development, fulfilling economic responsibilities, accumulating new momentum for development. We persisted in leveraging the "critical reform measure", driving the "primary driver of growth", and fostering new strengths in high-quality development through our ongoing reform efforts. By enhancing the control and influence of state-owned capital, we have achieved significant progress in deepening reform initiatives. The Group received an A-grade rating in the 2023 State-owned Assets Supervision and Administration Commission (SASAC) key task assessment and was recognized for "outstanding overall achievement" in SASAC's "Double Hundred Action" and "Science and Technology Reform Action" evaluations. We have continuously refined our "8+N" management system, strengthening the corporate governance framework rooted in company charters and solidifying foundational management and institutional processes. Significant strides have been made in advancing our "3+1" talent development strategy, aligning with central income distribution policies, and comprehensively standardizing remuneration systems across the Group and its subsidiaries. Our efforts to build a world-class enterprise have yielded substantial results, with key value creation tasks successfully completed. In the 2023 World-Class Enterprise Value Creation Action, we achieved an A-grade rating, received high recognition from SASAC for our demonstration efforts, ranked 7th among central state-owned enterprises in management enhancement, and advanced to 60th in the World's Top 500 Brands through deepened brand leadership initiatives. We have made great efforts to cultivate new production capabilities, achieved key technological breakthroughs in major scientific tasks, established a "one enterprise, one policy" innovation management system with CR's characteristics, and strategically positioned emerging industries as a new pathway for leading development. Guided by our "1246" model, we have driven historic transformation,

systemic restructuring, and comprehensive reshaping, fostering a stronger, positive, and upright atmosphere for entrepreneurship and achievement.

Numerous business units' positioning became clearer, pathways more defined, resource allocation more focused, and organizational mechanisms more aligned with strategic development, cultivating a robust environment for integrity and achievement.

Keeping in mind the "paramount interests of the nation", fulfilling social responsibility, and demonstrating central state-owned enterprise commitment through action. The Group remains steadfastly committed to keeping in mind the "paramount interests of the nation", proactively aligning its efforts with the overarching goals of serving the Party and the nation's development, grounded in the historical and ideological foundation of a "red central stated-owned enterprise". From the strategic perspective of corporate development, we have strategically coordinated social responsibility initiatives, taking a leading role in critical challenges such as energy supply guarantee, livelihood support, and employment stabilization, while actively contributing to rural revitalization, green and low-carbon development, and technological innovation, demonstrating the political commitment of a central state-owned enterprise to serving the Party and the people. In supply guarantee, we have fully committed to ensuring a stable supply of electricity and gas to the market, upholding our responsibility to stabilize market entities and safeguard employment. For livelihood support, we have effectively maintained smooth commodity supply and distribution channels, ensuring and boosting consumer demand to enhance public welfare. Regarding rural revitalization, we have actively coordinated internal and external resources, adhering to a strategy that prioritizes "investment and industrial cooperation, complemented by public welfare support and social donations", significantly increasing financial investments in targeted assistance and counterpart support counties, refining our assistance management model, and achieving new milestones in the construction of 19 China Resources Hope Towns and 12 Hope Villages, establishing a structured assistance framework. Our Social Responsibility Development Index has ranked first among China's Top 300 Enterprises for eight consecutive years and our targeted assistance efforts have consistently received the highest "Excellent" rating from SASAC for eight years. In terms of green and low-carbon development, guided by Xi Jinping's Thought on Ecological Civilization, we have fully implemented the national strategic objectives of carbon peak and carbon neutrality, continuously optimizing our industrial structures and layout, vigorously promoting the green and low-carbon energy transition, actively driving energy-saving and carbon-reducing transformations, green and low-carbon circular economy practices, efficient resource utilization, applications of green and low-carbon technological innovations, and product carbon footprint management. We have successfully completed a series of low-carbon and zero-carbon demonstration projects, expanded low-energy consumption businesses, steadily

increased the proportion of clean energy, continuously optimized industrial and energy structures, grown the capacity for collaborative social waste disposal, and achieved consistent improvements in energy-saving and emission reduction metrics.

As a Hong Kong-based central state-owned enterprise, we have diligently fulfilled our responsibilities, achieving full coverage of business expansion across all business units, coordinating youth initiatives such as "Together for Dreams", "Youth Dreams", and "Beyond Dreams" participating in the HKSAR Government's "Strive and Rise Programme", implementing the "Together for Protection" initiative, enhancing the impact and reach of the "Love Together" community service program, and establishing and operating Hong Kong's largest and first "Community Living Room" by a Chinese enterprise.

Our achievements are the result of collective wisdom and dedication, fundamentally driven by the strong leadership of the CPC Central Committee with Comrade Xi Jinping at its core and the scientific guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era. The key lies in the effective role of the Group's leadership team in steering direction, overseeing the broader strategy, and ensuring implementation—organically integrating the Central Committee's directives with CR's practical realities and transform its deployments and requirements into concrete actions for high-quality development. Above all, these successes stem from the commitment of all employees in CR, who, tempered by Party history education, have demonstrated heightened political awareness and a strong sense of the broader context, showing greater responsibility, courage, and initiative in overcoming challenges and advancing with determination, unleashing powerful cohesion and resilience. Looking to the future, the challenges of our era inspire us to harness the great strength of continued perseverance.

Standing at a new historical juncture, CR shoulders new and greater responsibilities and is entrusted with more and higher expectations. Fulfilling social responsibility with high standards and high quality has become an inherent requirement for thoroughly implementing the spirit of the 20th CPC National Congress, a cornerstone for serving the establishment of a new development paradigm, and an essential pathway to forging new advantages in international competition and cooperation while building a world-class enterprise. To fully harness the unique value of social responsibility in pursuing the high-quality development of a people-centric enterprise in the context of Chinese-style modernization, I propose five key approaches. **First, we must uphold Party leadership and maintain strategic direction.** We must ensure that the

Party's comprehensive leadership permeates every aspect of our social responsibility efforts and that the decisions and deployments of the CPC Central Committee and the State Council in the realm of social responsibility are fully implemented. **Second, we must focus on core business objectives and serve the broader national interest.** We must align social responsibility initiatives with the Group's operational and development priorities to better support the Party and the nation's goals for reform, development, and stability. **Third, we must ensure comprehensive and organic integration.** We must embed social responsibility principles into corporate strategy, major decision-making, daily operations, and supply chain management to achieve seamless alignment with enterprise development. **Fourth, we must highlight distinctive characteristics, align with international standards, and seize the initiative.** We must emphasize CR's unique attributes, industry-specific features, and corporate identity in fulfilling social responsibility and advancing sustainable development, while actively adopting international best practices and aligning with global standards in sustainability disclosure and regulatory norms. **Fifth, we must leverage social responsibility as a platform to accelerate the cultivation of new and quality productive forces.** We must strategically position social responsibility to focus on core businesses, integrate superior resources, and develop distinctive practices, thereby fostering intrinsic momentum, identifying new strategic opportunities, forming competitive advantages, promoting innovation in products, technologies, management processes, and business models—ultimately redefining the enterprise's growth paradigm, and achieving higher-quality, more sustainable development.

The path is arduous and long, but progress will bring us to our destination; the journey is vast, yet our original mission remains steadfast as a rock. Looking to the future, we will rally more closely around the CPC Central Committee with Comrade Xi Jinping at its core, adhering to the principle of prioritizing stability while pursuing progress, and with a responsible attitude and resolute actions, we will continue to advance high-quality development. We are committed to making new and greater contributions to the comprehensive advancement of building a strong nation and achieving national rejuvenation, offering the CR approach to Chinese-style modernization!

王岐山



CR Profile

Nature of CR



One of the key state-owned enterprises under the direct supervision of SASAC



An industrial group with diversified business operations closely related to the life of the public



Founded in 1938

Scale and Strength



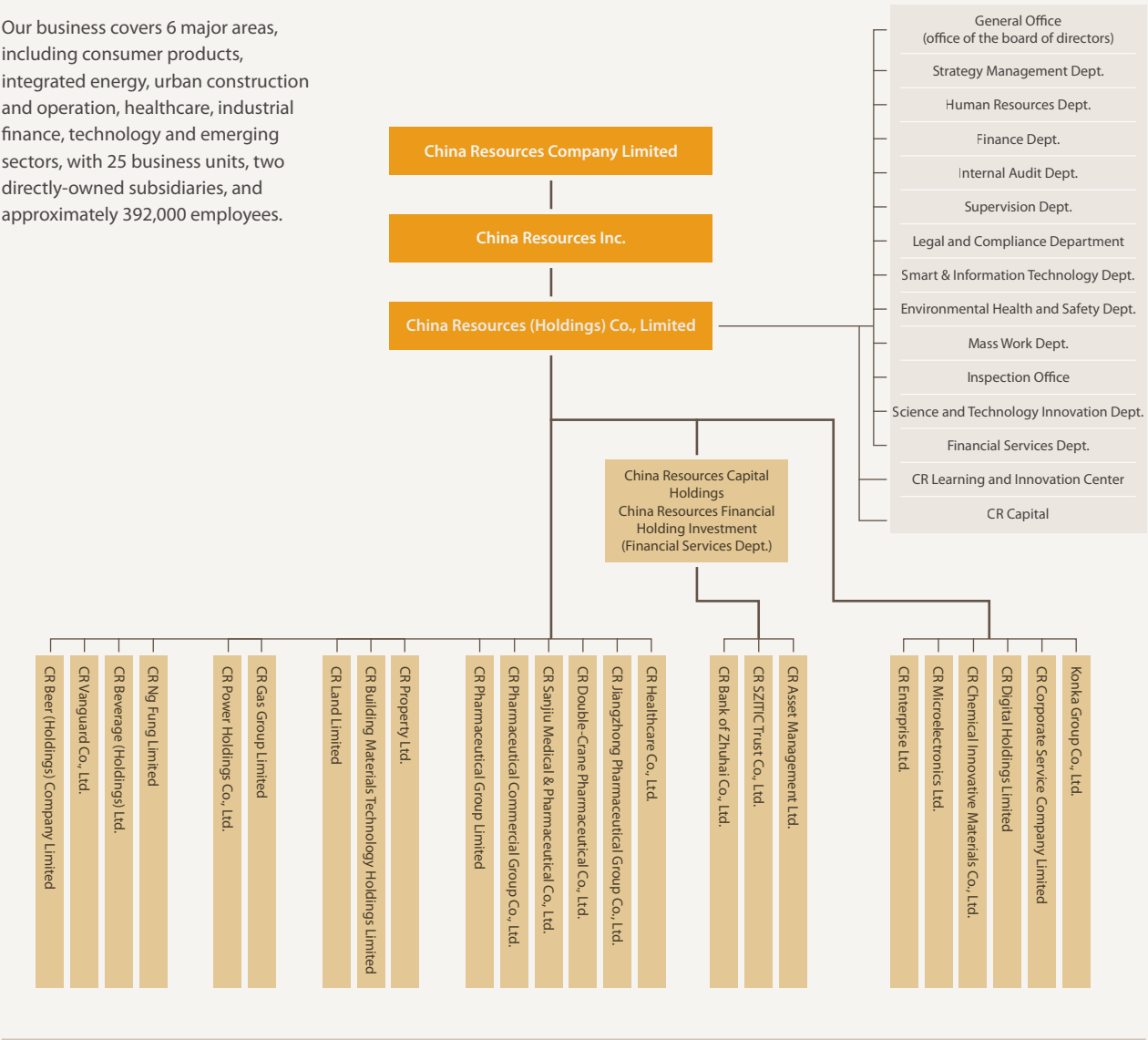
Ranked 67th in Fortune Global 500 in 2025



9 Hong Kong listed subsidiaries and 13 Mainland China listed subsidiaries, among which, CR Land, CR Beer, CR Mixc Lifestyle and CR Power are all Hang Seng Index constituents

Corporate Structure

Our business covers 6 major areas, including consumer products, integrated energy, urban construction and operation, healthcare, industrial finance, technology and emerging sectors, with 25 business units, two directly-owned subsidiaries, and approximately 392,000 employees.



9 Hong Kong listed companies

- CR Beer (00291.HK)
CR Power (00836.HK)
CR Land (01109.HK)
CR Building Materials Tech (01313.HK)
CR Gas (01193.HK)
- CR Pharmaceutical (03320.HK)
CR Medical (01515.HK)
CR Mixc Lifestyle (01209.HK)
CR Beverage (02460.HK)

13 Mainland China listed companies

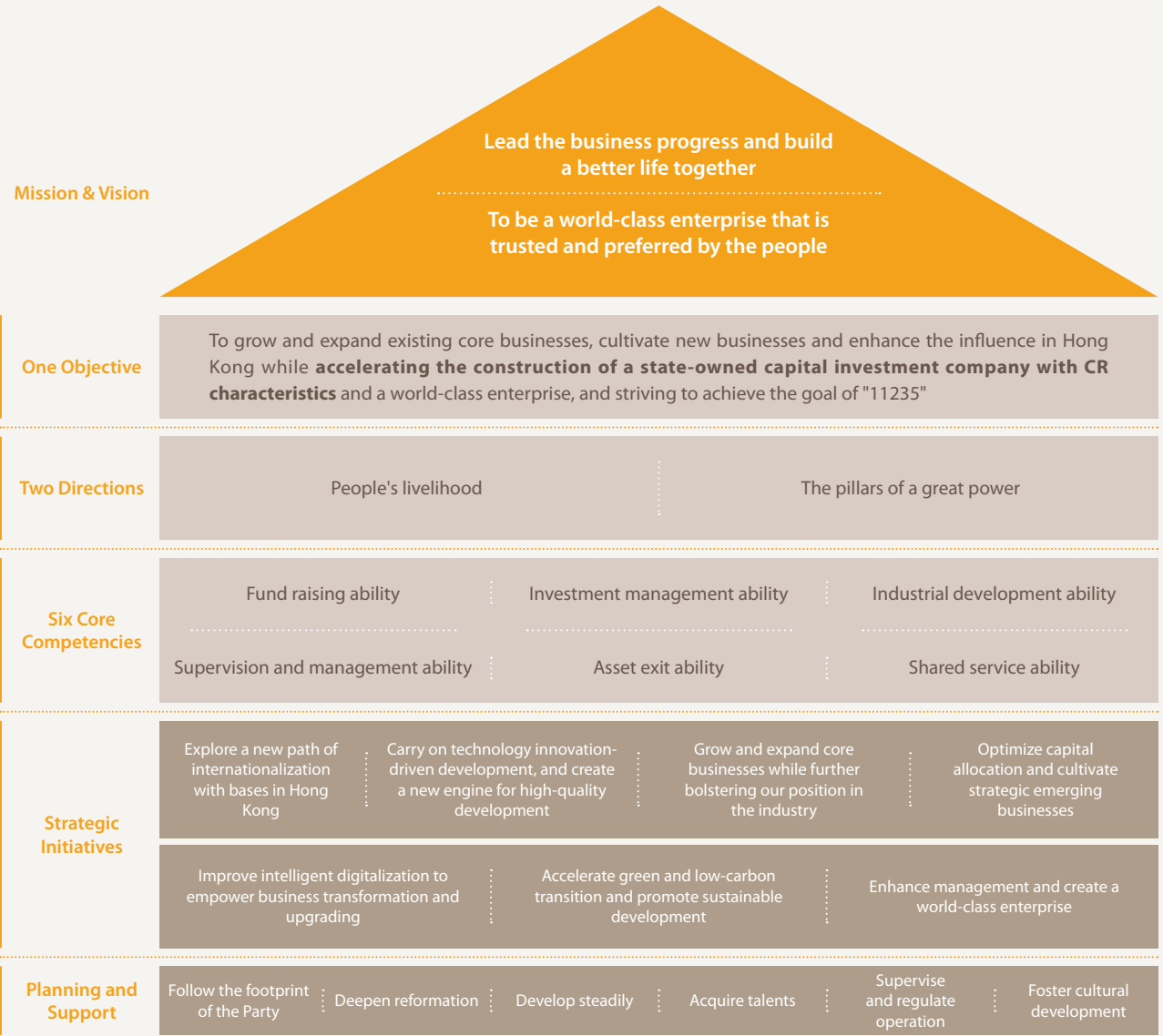
- CR Sanjiu (000999.SZ)
CR Double-Crane (600062.SH)
CR Jiangzhong (600750.SH)
CR Micro (688396.SH)
CR Chem-Mat (301090.SZ)
Boya-Bio (300294.SZ)
Dong-E-E-Jiao (000423.SZ)
- KPC (600422.SH)
Chongqing Gas (600917.SH)
JCET (600584.SH)
Tasly (600535.SH)
Dirui Industrial (300396.SZ)
Konka Group (000016.SZ)

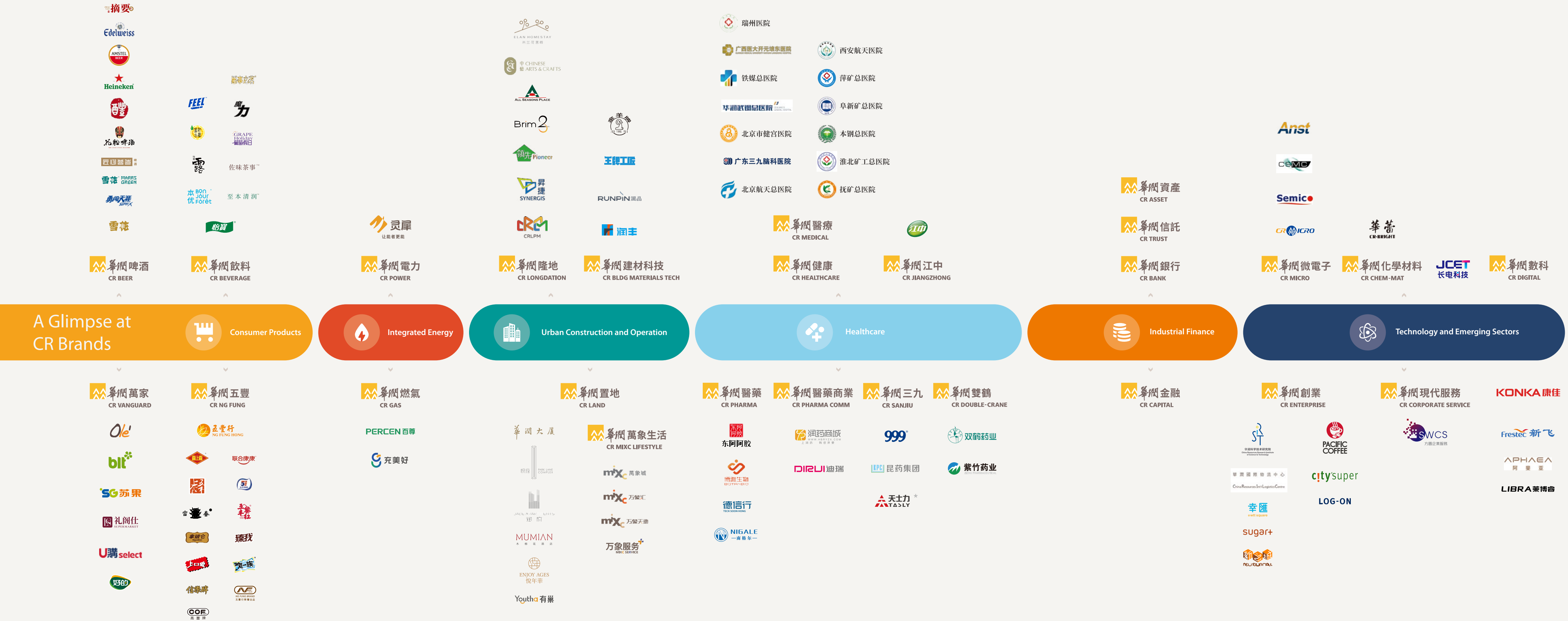
CR's Corporate Culture and Philosophy System



Our Development Strategies under the "14th Five-Year Plan"

Mission & Vision





2024 Highlights

Ten Major Events



China Resources established the Party Building and Ideological Work Research Association, approving the Charter of China Resource China Party Building and Ideological Work Research Association and the list of members for its first council.



CR officially released the 1246 Model - Exploration and Practice of a China Resources'Distinctive State-Owned Capital Investment Company and World-Class Enterprise, systematically summarizing the methodology of CR's fourth transformation.



CR further strengthened its capital operations: CR Beverage was listed on the Hong Kong Stock Exchange; CR acquired a controlling stake in JCET while advancing the implementation of professional integration of Konka; CR Sanjiu successfully acquired Tasly; CR Resources Commercial REIT was successfully issued; CR Power completed a share placing raising HK\$7.2 billion; and CR Pharmaceutical completed the acquisition of Green Cross.



CR continued to conduct its 7th to 9th senior leadership training sessions, focusing on key strategic initiatives during the "14th Five-Year Plan" period, including discussions and deployments around the "Dual-Core, One Force" strategy, the "3+1" talent development framework, and the development of six core capabilities, namely fundraising, investment, production, management, exit strategy, and service.



CR dynamically refined its "One Enterprise, One Strategy" innovation management system, promoting the implementation of key management measures across its business units.



CR successfully passed the pilot acceptance for the construction of its digital archives, becoming one of the first central state-owned enterprises to achieve approval as a pilot unit for digital archives construction.



In the field of rural revitalization, CR completed the layout of "19 China Resources Hope Towns + 12 Hope Villages", with the number of newly commenced projects and the scale of construction reaching an all-time high.



CR further strengthened its specialized team for strategic emerging industries, restored direct investment functions at the headquarters level, and established the Group's "1+5" strategic emerging industries plan and "1+7" strategic emerging industries supporting policy system.



CR deepened its integration into regional development strategies, signing strategic cooperation agreements with nearly 30 provinces, autonomous regions, and municipalities, facilitating the successive implementation of major projects.



CR hosted the Traditional Chinese Medicine Industry Chain Collaboration Action and High-Quality Development Salon under the theme "Collaborative Chain Development: Activating New Quality Productive Forces in Traditional Chinese Medicine", releasing the China Resources Group Traditional Chinese Medicine Industry Chain Construction Practices and the Traditional Chinese Medicine Industry Chain Collaboration Action Supply and Demand List.

Operating Performance



Total asset
2,713.85
billion (RMB)

Year-on-year increase of
4.17
%



Total profit
92.64
billion (RMB)

Year-on-year increase of
5.11
%



Operating income
932.66
billion (RMB)

Year-on-year increase of
4.42
%

Achievements and Awards

◆ CR was rated as a Grade A enterprise in the 2024 business performance assessment of central state-owned enterprise leaders.

SASAC

◆ CR ranked 67th in the 2025 Fortune Global 500.

Fortune Magazine

◆ CR ranked 60th in the 2024 World's Top 500 Brands and 6th in the 2024 China's Top 500 Most Valuable Brands.

World Brand Lab

◆ For the third consecutive year, CR topped the "Central State-owned Enterprises Responsibility Management • Pioneer 30 Index", and the "China Resources Approach to Social Responsibility and ESG Management" was selected as an outstanding case in the "Central State-owned Enterprise Social Responsibility Blue Book (2024)", earning recognition as one of the "Top 10 Cases".

◆ Nine listed subsidiaries of CR were included in the "Central State-owned Enterprise ESG • Pioneer 100 Index (2024)", namely CR Power, CR Land, CR Gas, CR Building Materials Tech, CR Medical, CR Micro, CR Mixc Lifestyle, CR Beer, CR Chem-Mat.

SASAC

◆ CR's Social Responsibility Development Index ranked first in the "China Top 300 Enterprises" and "State-Owned Enterprises Top 100" for the eighth consecutive year.

◆ Among its subsidiaries, CR Power ranked 4th in the power industry with a score of 80.8, CR Micro ranked 4th in the semiconductor industry with a score of 70.6, and CR Beer ranked 13th in the food and beverage industry with a score of 48.3.

Enterprise Social Responsibility Blue Book (2024) published by Chinese Academy of Social Sciences

◆ Seven publicly listed companies under CR have been listed among "Pioneer 100 ESG Listed Companies in China", including CR Power, CR Land, CR Gas, CR Building Materials Tech, CR Medical, CR Mixc Lifestyle and CR Beer. The number of companies on this list reached the highest among central state-owned enterprises.

2024 ESG Action Report published by China Media Group

◆ CR got "good", the highest rank, for the 8th year in a row in rural revitalization.

SASAC, The National Rural Revitalization Administration

◆ Jianhe China Resources Hope Town was selected as a national observation point for assistance and industrial development at the National Conference on Promoting Assistance and Industrial Development and Project Asset Management.

Ministry of Agriculture and Rural Affairs

◆ CR's 2023 Sustainability Report was given a 5-star rating for 5 consecutive years.

Chinese Expert Committee on CSR Report Rating

◆ CR received an A-grade rating in the 2023 World-Class Enterprise Value Creation Action, ranked 7th in the 2023 Management Enhancement Action assessment, and was recognized for "outstanding overall achievement" in the "Double Hundred Action" and "Science and Technology Reform Action" evaluations. Four subsidiaries, namely CR Micro, CR Beverage, CR Chem-Mat, and CR Mixc Lifestyle, were included in the "Double Hundred Enterprises" list, while CR Sanjiu, CR Biological Medicine, and CR Jiangzhong were included in the "Science and Technology Reform Demonstration Enterprises" list.

SASAC

◆ CR's board of directors received an "Excellent" rating for its performance, consistently ranking in the top tier of central state-owned enterprises. In the annual assessment of the Deepening and Enhancing State-Owned Enterprise Reform Action, the Group's corporate governance ranked among the top central state-owned enterprises, and the board construction level of its subsidiaries consistently ranked first among central state-owned enterprises in the reform assessment.

SASAC

◆ CR's corporate spirit film Our Generation was selected as an outstanding program for "Chinese Dream, New Journey".

National Radio and Television Administration

◆ CR's audio story "Watering the Heart of China" was recognized as an outstanding case for new media innovation in 2024.

SASAC

◆ CR's archives museum was selected as part of the second batch of Central State-owned Enterprise Patriotism Education Bases.

SASAC

◆ Multiple business units and subsidiaries of CR, including CR Power, CR Gas, and CR Longdation, received 39 awards at the Hong Kong Green Organisation Awards. CR Power won the Platinum Award for the "Outstanding Environmental Safety and Health Award", CR Gas received the Gold Award for the "Outstanding Environmental Safety and Health Award", CR Longdation won the "Outstanding Corporate Green Governance Award", and CR Power, CR Longdation, and CR Land Zhengzhou Company received Gold Awards for the "Outstanding Environmental Management Award". Additionally, China Resources Property Management Limited's China Resources Building project received the Gold Award for the "Outstanding Environmental Management Award (Service Provider)".

Hong Kong Green Council

◆ CR obtained dual certifications for ISO 37301:2021 / GB/T35770-2022 (Compliance Management Systems – Requirements and Guidelines for Use) international and national standards, as well as ISO 37001:2016 (Anti-Bribery Management Systems – Requirements and Guidelines for Use).

SGS, International Authority Certification Body

◆ CR Sanjiu received an A-grade rating from the Shenzhen Stock Exchange (SZSE) for 10 consecutive years; CR Double-Crane received an A-grade rating from the Shanghai Stock Exchange (SSE) 10 times; CR Jiangzhong received an A-grade rating from the SSE for 5 consecutive years; and CR Micro received an A-grade rating from the SSE for 2 consecutive years.

Shenzhen Stock Exchange (SZE), Shanghai Stock Exchange (SSE)

Economic Responsibility

Empowering World-Class Excellence



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to Improve Risk Prevention and Resolution
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Story 1

Governance-Driven Navigation

Story of Responsibility

Economic Responsibility

Governance-Driven Navigation

Chairman of CR Wang Xiangming

Scan the QR code for the vlog of Governance-Driven Navigation



With stars shining over the vast plains and the ship sailing into the great river, CR, forging forward for 87 years, is accelerating its journey to build a world-class state-owned capital investment company, navigating challenges and advancing resolutely.

We understand that a grand journey filled with challenges ahead requires strong leadership to steer the course. A robust corporate governance system and strong governance effectiveness are essential to ensure the correct direction of corporate development. Over the years, CR has consistently fulfilled its economic responsibilities at a high level, achieving breakthroughs in value creation, performance and shareholder returns. This is a vivid practice and fruitful outcome of effective governance leading the way.

Top-level Design

Comprehensive strategic planning leads to success. We have contributed the wisdom of CR to the top-level design for laying the solid foundation and strengthening the pillars of corporate governance.

The construction of the governance system at CR faces a highly complex internal and external environment, whereby state-owned capital investment companies are required to establish a governance mechanism linked by capital; more than 90% of its assets listed in domestic and international markets are subject to various regulatory policies from securities markets; more than 3,000 legal entities operating in domestic and international jurisdictions are required to exercise governance in a hierarchical and categorized manner in accordance with local laws and regulations of their place of incorporation as well as the nature of their functions; its diversified business structure requires that governance strategies must align with industry characteristics etc.

After summarizing and organizing our approach, we have established four fundamental governance principles: strategic leadership, systematic advancement, legal compliance, and market orientation. In general, we focus on the strategies of building a state-owned capital investment company and a world-class enterprise through the development of our governance system. Specifically, we integrate the construction of the board of directors, organizational management, and system development to ensure that board decisions are effectively communicated through organizational management and implemented through appropriate systems. During this process, we focus on internalizing external laws, promoting co-governance, and selecting the best practices. In terms of implementation, we prioritize policies and systems that are closely aligned with our businesses and services, ensuring they are practical, effective, and user-friendly.

Through measures such as optimizing the governance structure, establishing a three-tier management structure, and implementing differentiated management of business units, CR has established a governance model based on capital, which has significantly improved its governance capability and level.

In December 2023, the White Paper on Corporate Governance of CR was released to the public, fully disclosing our corporate governance framework, governance entities, decision-making mechanism, supervision mechanism, information disclosure mechanism, sustainability system, management structure, and related management systems. This is the world's first corporate governance white paper proactively disclosed by an enterprise, through which we make a solemn commitment to the public



The eighth training session for senior management of the Group was held in conjunction with the second learning session of the special study class on studying and implementing the spirit of the Third Plenary Session of the 20th CPC Central Committee. The aim is to deepen their understanding of General Secretary Xi Jinping's important philosophy of pooling talents in the new era, and provide them with thorough learning on deploying important decisions from the plenary session regarding the reform of the talent development system and mechanism. Centered on the overarching work of "dual core and one force", we strategically planned and advanced talent work and the construction of talent hubs by deepening "four restructurings" to support and ensure the implementation of the "1246" model.

and stakeholders, opening a new chapter in CR's corporate governance.

Structure and Essence

Structure aligns with essence. In terms of advancing corporate governance from mere structural improvement to a holistic approach that emphasizes value creation, we have accumulated CR's experiences.

At CR, the board of directors serves as the "brain" for setting strategies, making decisions, and managing risks. It holds four regular meetings annually, along with certain ad hoc meetings. Each regular meeting includes strategic topics in specific areas, allowing for collaborative discussions between the board of directors and the management team, which is a key channel for the board of directors to play its role in "strategic decision-making". Through in-depth strategic research on topics such as the semiconductor business, technological innovation, Hong Kong operations, and capital management, the board of directors and management have developed a strong strategic consensus.

How can the board of directors evolve from merely an approval body to a key institution for value creation that drives the reform and development of the Group? At CR, the board members engage in the entire process of strategy formulation, execution, and evaluation. In recent years, for major acquisition projects such as Tasly, KPC and JCET, the board members have conducted in-depth on-site investigation and research, laying a solid foundation for scientific decision-making.

We place great importance on leveraging the role of external directors by engaging in diverse and candid communications with them. External directors are invited to participate in key meetings such as quarterly work meetings, business planning sessions, and senior management training. Our internal information systems are fully accessible to external directors, who are also provided with comprehensive information necessary for their duties. In 2024, the Group dispatched more than 600 management reports, financial statements, and industry research materials to external directors throughout the year, truly achieving "openness, proactiveness, and completeness" in information support. The scope of investigation by external directors covers all business units. The investigation schedule is balanced, including visits to both high-performing star enterprises and those undergoing challenging reform. These specific and meticulous arrangements have ensured that external directors have a comprehensive and accurate understanding

of the enterprise's actual situation, laying a solid foundation for rational decision-making by the board of directors.

The organizational management mechanism significantly impacts corporate strategy implementation and operational efficiency. We have established a streamlined and efficient three-tier management structure that aligns with our strategy: Group (by capital) — Business Unit (by asset) — Operating Unit (by operation). We have created a maturity assessment model to implement differentiated management based on the maturity assessment results of each business unit. This approach enables the Group's headquarters to "lead effectively, develop proactively, serve purposefully, and supervise efficiently", while granting more operational autonomy to those directly engaged in the business. This ensures that we "manage well without being rigid, and empower without being permissive", fundamentally revitalizing CR's operational vitality and innovation momentum.

Being In-depth and Practical

Strategic moves create momentum. In terms of organic synergy between the Group and its subsidiaries and diversified governance tailored to each enterprise, we formulated the CR approach.

Based on the functional positioning, business type, and management and management model of its subsidiaries, CR has tailored its governance model according to subsidiary-specific requirements and implemented hierarchical measures to establish the board of directors. While ensuring risk control, governance procedures are greatly simplified to enhance the effectiveness of corporate governance in subsidiaries.

CR has 21 listed companies in domestic and international markets. The independent director mechanism is an important arrangement for the governance of listed companies. After our systematic review of the policies and requirements regarding independent directors in Mainland China and Hong Kong, we have strictly screened candidates for independent directors, and established a pool of 91 high-caliber candidates, enabling an orderly rotation of the team of independent directors of listed companies.

CR evaluates the performance of external directors in business units annually, based on two components: performance assessment and annual duty evaluation. The performance of the enterprises where external directors serve accounts for 30% of this evaluation, ensuring that they focus not only on risk management but also on performance, thereby genuinely aligning governance with business objectives.

Under the overall governance structure of the Group, each business unit has steadily promoted the process of governance optimization, leading to numerous successful practices.

CR Power is an exemplary model for its subsidiaries to promote the establishment of a professional board of directors. The diversity of the board members provides a wider range of perspectives for decision making, which is a major advantage of CR Power. The four specialized committees, namely, the Audit and Risk Committee, the Remuneration Committee, the Nomination Committee and the Sustainability Committee, provide solid professional support to the board of directors of CR Power in decision making, which significantly enhances the professionalism of the board of directors' operations and effectively reduces decision-related risks.

The board of directors of CR Power has undertaken deep reflections on its long-term development, setting a strategic reform goal to achieve over 50% of its installed capacity from renewable energy by the end of 2025. This goal outlines a clear path for building a world-class clean energy enterprise.

In terms of strategy implementation, the board of directors of CR Power has focused on the long-term perspective by guiding the management to restructure Chongqing Energy and Shengjing Energy, thus creating a model for central-local cooperation. Additionally, the decision to proceed with the equity transfer project of Guizhou Tianrun Coal Mine has effectively addressed long-standing issues related to the disposal of non-core and non-advantageous assets.

CR Double-Crane serves as an excellent example of how subsidiaries can optimize their accountability and responsibility systems while leading industry standards in information disclosure. Activities such as "Understanding Our Listed Companies" and "Shareholders are Welcome" provided engaging and practical opportunities for investors to visit research and development (R&D) labs and production facilities, facilitating in-depth discussions with the management team. As a core component of governance for listed companies, CR Double-Crane has established a multi-dimensional and multi-channel information disclosure and communication system. Through performance releases and joint meetings with securities brokers, the Company gains deep insight into investor demands and provides targeted responses.

CR Double-Crane has also established a "wood" governance structure, systematically organizing responsibilities (horizontally), authority (vertically), systems (slantingly), and procedures (downstroke). This approach integrates horizontal responsibilities and vertical authority, supported by the integration of responsibilities and authority, with four functions collaborating around corporate governance. Sound corporate governance has provided strong momentum for CR Double-Crane. By 2024, the Company surpassed 30 in the number of consistency assessment and applications for generic drugs, with 15 innovative drugs under research and over 10 synthetic biology reserves. Additionally, it has established 11 technical platforms and 10 research institutes, demonstrating significant progress in building new productive capacities for pharmaceutical companies.

CR's exploration and practice in corporate governance have received widespread recognition. CR was selected as the first batch of central state-owned enterprises to demonstrate corporate governance. Its board of directors has been consecutively rated as "Excellent", and the three-tier management model has been recognized as an "Organizational Management Benchmark Model for State-Owned Capital Investment Company". The assessment of subsidiary board composition has been ranked first among central state-owned enterprises for consecutive years.

Governance drives efficiency. In recent years, various operating indicators of CR have continued to grow. In 2024, operating revenue and total profit reached RMB 933.5 billion and RMB 92.6 billion respectively, with growth rates consistently exceeding the average among central state-owned enterprises. The Group ranks 72nd in the Fortune Global 500.

The path is smooth as a whetstone, and we advance without stopping. With a broader historical perspective and a wider global vision, we will continue to advance the modernization of corporate governance, contributing the strength of CR to this enduring journey.

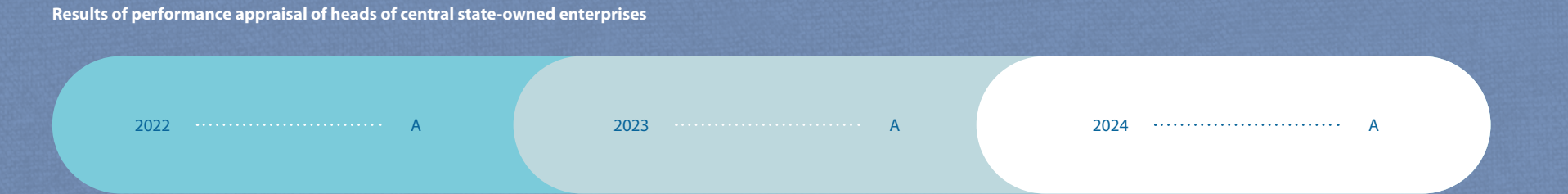
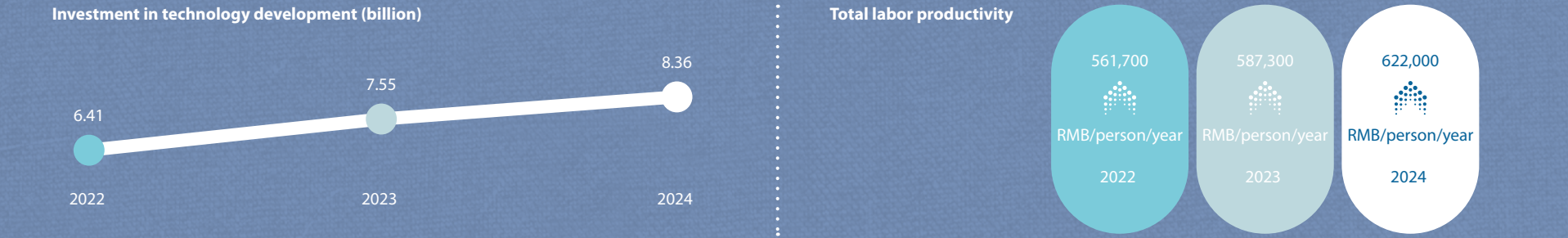
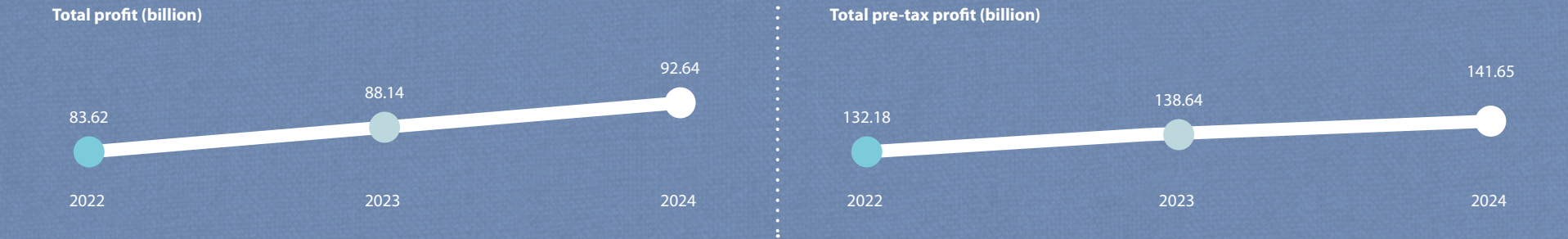
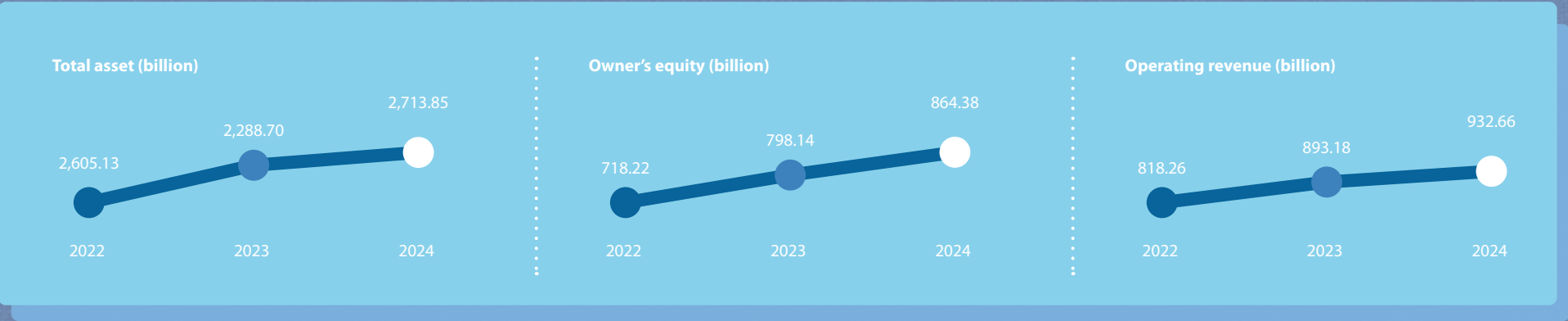
Concept and Vision

Adhering to Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era as our guiding principle, we fully implemented the spirit of the 20th National Congress of the CPC and the Second and Third Plenary Sessions of the 20th CPC Central Committee by fulfilling the decisions and deployments of the Central Economic Work Conference and the tasks outlined at the Central State-owned Enterprises Leaders'Conference. With the "1246" model as our leading framework, we steadfastly prioritize high-quality development, focusing on enhancing core functions and improving core competitiveness. Our efforts concentrate on growth, deepening reform, strengthening innovation, optimizing structures, preventing risks, and enhancing party building, thereby better serving national strategies. We are fully committed to achieving the annual and "14th Five-Year Plan" objectives, laying a solid foundation for a strong start to the "15th Five-Year Plan".

SDGs Responses



HKEX ESG indicators covered in this chapter: B7.2, B7.3



Deepening Reform Comprehensively to Forge World-Class Enterprises and Further Highlight Their Exemplary Role

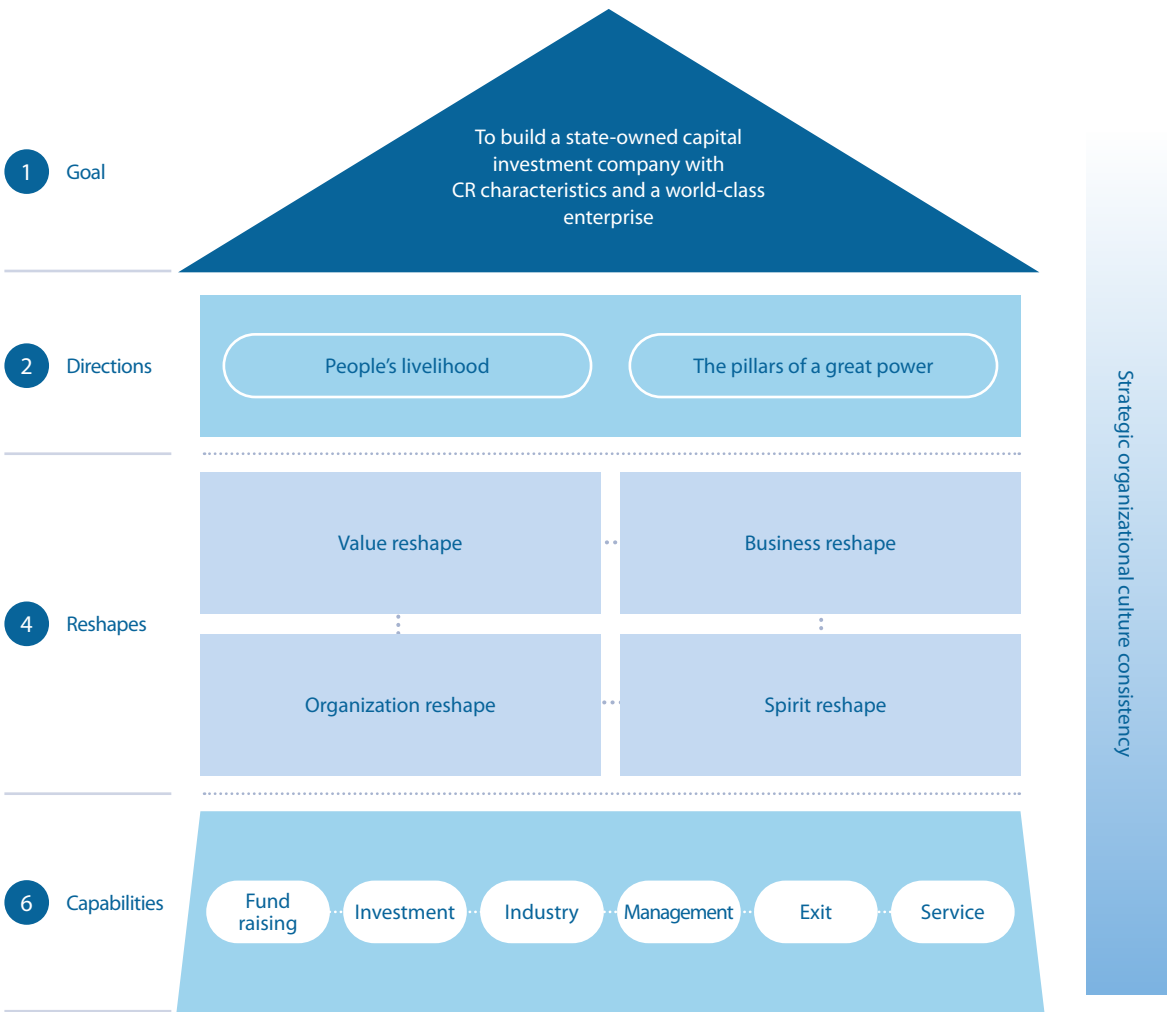
Since the 20th National Congress of the CPC, General Secretary Xi Jinping has delivered a series of important discourses and issued directives and instructions on enhancing the core functions and competitiveness of central state-owned enterprises and developing new quality productive forces, assigning new mission functions to central state-owned enterprises for the new journey of the new era. In 2024, CR fully implemented the spirit of the 20th National Congress of the CPC and the Third Plenary Session of the 20th CPC Central Committee, steadfastly prioritizing high-quality development. We continued to enhance the control and influence of state-owned capital, achieving significant results in reform deepening and improvement actions.



From 28 to 29 April 2025, the ninth senior management training program of CR was held at the Xiong'an Campus of the CR Learning and Innovation Center. The training focused on discussions regarding six key capabilities in "fundraising, investment, production, management, exit, and service" of state-owned capital investment companies with CR characteristics, where Chairman Wang Xiangming delivered his opening remarks.

Sustained Enhancement of Reform Vitality

The Group's reform deepening and improvement actions have been thoroughly implemented. Significant progress has been made in functional and mission-oriented reform, while notable results have been achieved in institutional and mechanism-related reform, with overall progress exceeding 85%. In 2023, the Group was rated "A" for the annual assessment of key tasks for reform deepening and improvement by SASAC. The 1246 Model — Exploring and Practicing State-Owned Capital Investment Companies and World-Class Enterprises with CR Characteristics was published to continuously build a control system for state-owned capital investment companies with CR characteristics. Leveraging the deepening of a modern enterprise system with Chinese characteristics, we strengthen foundational management and maximize the effectiveness of the roles of the Group's Party Committee, board of directors, and management team to develop management capabilities and a system aligned with the characteristics of the knowledge economy era, stimulating the inherent vitality of enterprise development and creating world-class management soft power in an effective manner.



The "1246" model of CR

Being Successful in Building a World-Class Enterprise

The Group successfully completed its key tasks for annual value creation, being rated "A" in the 2023 value creation assessment against world-class enterprises; ranking 7th in the 2023 management improvement action assessment by SASAC. In the assessment of "Double Hundred Action" and "Science and Technology Reform Action" by SASAC, the Group was recognized for its "outstanding effectiveness". The Group climbed to 60th place in the Brand Finance Global 500 owing to its significant efforts in brand building. A report on "five values" has been developed, receiving high recognition from SASAC. The Group continues to deepen its world-class management improvement action by establishing a "1+1+N" evaluation standard for world-class enterprises. It has refined the working system across six key areas, including continuous benchmarking and fulfillment of responsibility, to create a long-term and efficient mechanism that guides the Group in establishing world-class enterprises in a hierarchical and categorized manner.

Logic of the "1246" Model of CR

The "1246" model represents CR's exploration and innovative practice aimed at deepening the reform of central state-owned enterprises and building state-owned capital investment companies to facilitate the fourth transformation and accelerate the development of world-class enterprises through state-owned capital investment companies with CR characteristics, reflecting the Group's mission, framework, tools, and vision in all aspects. First, the important directives and feedback from General Secretary Xi Jinping, along with the new mission functions assigned by the CPC Central Committee for this new journey, provide essential guidance for the Group's fourth transformation. Second, enhancement of core functions and core competitiveness specifies new tasks and requirements for the reform and development of CR. Third, establishment of state-owned capital investment companies with CR characteristics, serving as a framework to ensure progress in the right direction and the fulfillment of new tasks and requirements, is categorized into three aspects: cornerstone, organization, and industry. Fourth, "four restructurings" are the most important tools for driving the fourth transformation. Fifth, the vision of building a world-class enterprise characterized by "excellent products, outstanding brands, leading innovation, and modern governance" unites efforts to ensure that CR is moving in the right direction. Sixth, the "8+N" management system and the new assessment orientation centered on "five values" ensure that the "1246" model translates into a concrete, executable, and practical guarantee system. The components of the "1246" model — "one goal", "two directions", "four restructurings", and "six capabilities" — are interrelated and mutually supportive, reflecting a cohesive and integrated logical relationship.

Solid Promotion of the Double Hundred and Science and Technology Reform Special Project

The "Double Hundred Action" and "Science and Technology Reform Action" achieved commendable results in the 2023 annual assessment by SASAC, including one benchmark enterprise, four excellent enterprises, and two outstanding enterprises, maintaining positive momentum in reform and development. Alongside these achievements, the Group's leaders place great importance on the ongoing enhancement of related work, requiring the Group and various entities to deeply analyze the shortcomings of reform, identify gaps, and formulate action plans based on the assessment results from the key tasks for reform deepening and improvement of the Group in 2023 to facilitate sustainable and effective improvements in the Double Hundred and Science and Technology Reform Special Project.

CR Sanjiu has been consecutively recognized as a benchmark enterprise and has conducted a systematic analysis of its current indicators in line with the Science and Technology Reform indicators published by SASAC, categorizing them into leading, requiring improvement, and weak indicators with a focus on three dimensions — technological innovation, market-oriented reform, and overall effectiveness — to strategize directions and measures for enhancement, aiming to further improve indicator performance. CR Jiangzhong, consistently recognized as an excellent enterprise, has strived to explore innovation and create a "dual talent recruitment" model that breaks down barriers related to identity, staffing, and social security. This has allowed them to attract and cultivate a group of high-quality technology talents and undertake a series of technological and research projects with independent intellectual property rights, resulting in significant innovative achievements. CR Micro has collaborated with experienced third parties to conduct professional analyses of its "Double Hundred Action" and has put great effort into quality enhancement and efficiency improvement.

Comprehensive Enhancement of Governance Capability and Level by Transforming Institutional Advantages into Governance Effectiveness

1

In compliance with the amended Company Law and regulatory requirements of SASAC, the Group revised its articles of association and accompanying operational rules, abolished the board of supervisors, and enhanced the responsibilities of the Audit and Risk Committee. It also dynamically optimized the authorization framework of the board of directors by emphasizing the board's roles in "defining strategy, making decisions, and mitigating risks" to ensure close alignment with the Party Committee's roles in "setting direction, managing overall situations, and ensuring implementation", and the management's roles in "driving operations, ensuring execution, and strengthening management". Therefore, the governance mechanism of "defined powers and responsibilities, transparency, coordinated operations, and effective checks and balances" has been further improved. The Group continued to strengthen the construction of specialized committees, enhancing their roles. Throughout the year, these committees held 18 meetings, addressed 36 agenda items, and reviewed 6 reports, ensuring the quality and efficiency of board decision-making.

2

The Group continued to strengthen the construction of boards of directors in their subsidiaries and revise relevant regulations to enhance the Party's leadership in corporate governance by further clarifying the scope, channels, and methods to be decided and discussed by the Party Committee. Subsidiaries at all levels are required to determine the responsibilities and authority of Party committees, boards of directors, and management according to related requirements. The Management Regulations for Subsidiary Board Construction have been formulated, specifying requirements regarding the scope of enterprises that "should have a board of directors", board composition, operational mechanisms, supporting system construction, and board authority. In line with the amended Company Law, the Group also provides hierarchical and categorized supervision of subsidiaries to carry out reform of the board of supervisors. The level of board composition in the Group's subsidiaries has ranked first among central state-owned enterprises in the assessment of reform deepening and improvement of state-owned enterprises.



In October 2024, a training session on board composition was held by CR in Shenzhen. Chairman Wang Xiangming delivered the opening lecture, where over 150 participants from corporate governance functions such as business unit directors and board secretaries attended the training.

The Group has further improved its corporate governance system in accordance with the amended Company Law and the regulatory requirements of SASAC and securities regulators, which sustains the optimization of the governance structure, advances reform of the board of supervisors, deepens differentiated management, and strengthens the construction of the board of directors. SASAC rated the Group's board of directors as "excellent" in its 2023 annual evaluation. In the annual assessment of reform deepening in state-owned enterprises, the "group corporate governance" ranked among the top of the central state-owned enterprises.

3

CR has proposed organizational management principles on "strategic leadership, customer orientation, balance between authority and accountability, collaborative efficiency, controllable risks, and dynamic optimization" by establishing a three-tier management structure: group (capital level) — business units (asset level) — production and operation units (operational level). This structure allows managerial roles to be in charge of capital investment and operational functions while allowing non-managerial roles to be in charge of production and operations. The Group's headquarters plays a role in "leading, developing, serving, and supervising", with a focus on creating capital value and establishing a value-driven headquarters that is strategically guided, scientifically managed, and efficient in decision-making. Business units are responsible for industrial investment development and integration, aiming to create world-class industrial clusters and generate industrial value. Production and operation units assume front-line production and operation functions and engage directly in market competition to generate revenue and profits while obtaining operational cash flow, thus creating market value. Adhering to the principles of "differentiated management, hierarchical management, flexible adjustment, and a combination of autonomy and oversight", CR implemented differentiated management for various business units to ensure scientific authorization and appropriate delegation, thereby "empowering without being permissive and managing well without being rigid".

CR Land

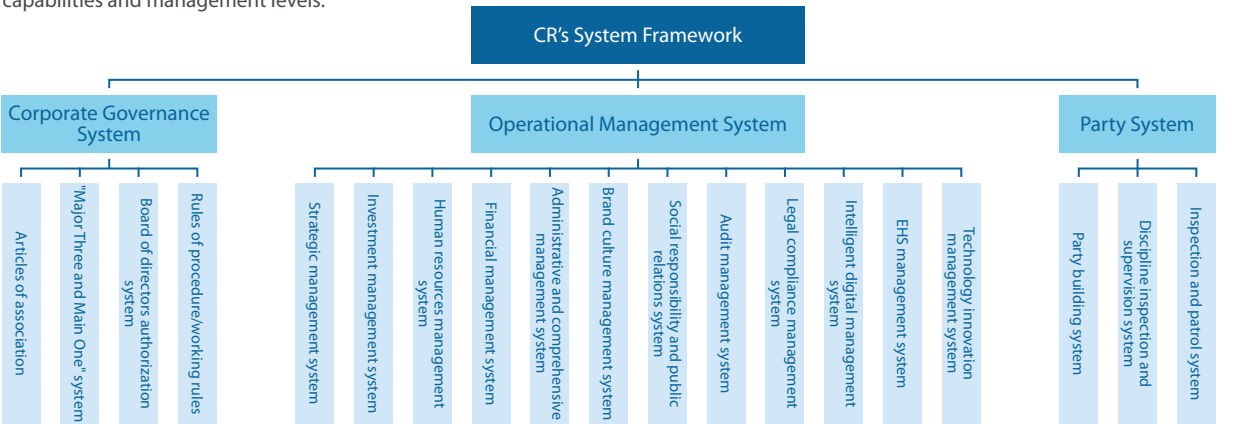
CR Land has taken the lead in the industry by initiating organizational reform based on the "four focuses" on cities, capabilities, resources, and talent. By taking a strategic, efficient, and competitive approach, a "headquarters + regional" two-tier management model has been implemented to reconstruct city layouts, streamline management levels, and enhance efficiency, with an aim to improve organizational capabilities across the entire value chain in all aspects. CR Land's headquarters is positioned as an "expert and expertise platform", while regional offices serve as a platform for performance oversight, management oversight, and supervision and assurance, providing functional and professional management to regional companies. Regional companies upgraded from former city companies are currently serving as a platform for performance and management achievement, being responsible for strategic execution, management enhancement, and performance achievement.

CR Healthcare

Following the principle of "small headquarters, strong grassroots", CR Healthcare has implemented a two-tier management model where the headquarters directly manages core member units. The headquarters aims to establish itself as "a leading domestic medical and healthcare industry group and a leader in the reform of state-owned medical institutions", fulfilling its roles in "leading, developing, serving, and supervising". In line with the principle of "large entities supporting smaller ones and industry clustering", CR Healthcare considers factors such as hospital grade and asset scale to streamline and integrate member units, facilitating regional integration. Differentiated management and authorization have also been implemented to encourage member units to focus on core capabilities, including discipline construction, patient services, and operational excellence.

4

CR endeavors to facilitate system construction. In alignment with the management principles of "legal compliance, comprehensiveness, systematicity, adaptability, and appropriate control", CR has established a system anchored in its articles of association which is "clearly structured, fully articulated, mutually reinforcing, and effectively coordinated", with a robust lifecycle management and review mechanism for its policies. Continuous efforts to enhance standardization and systematicity have effectively achieved "institutionalization of management, process-oriented systems, form standardization, and information-driven forms" to ensure that the Group's management philosophy and approach are effectively integrated into its subsidiaries, laying a solid foundation for further enhancing governance capabilities and management levels.



Group system framework

Serving National Strategies

Keeping in mind the "paramount interests of the nation", the Group more proactively plans and promotes its work in alignment with the overall development goals of the Party and the nation.

Demonstrating Greater Effectiveness in Fulfilling the Mission and Responsibilities as a Central State-owned Enterprise in Hong Kong

In 2024, the Group expanded its business operations in Hong Kong, achieving comprehensive coverage of business units. CR Longdation completed acquisitions of projects such as Wealthy Garden, Alto Residences, and the flat projects developed by the Hong Kong Housing Society, with commercial property management exceeding 1.1 million square feet in Hong Kong. CR Ng Fung further consolidated its position in the live livestock supply market for Hong Kong. The cumulative contract amount for the Kai Tak project by CR Land exceeded HK\$12 billion. CR Gas and CR Longdation jointly operate the "Chongmei Mei" charging station. The Group has launched youth activities such

as "Together for Dreams", "Youth Dreams", and "Beyond Dreams", participated in the "Strive and Rise Programme" launched by the Hong Kong government, and implemented the "Together for Protection" program. In order to expand the influence and reach of the community service of "Love Together", it has provided public welfare services to nearly 100,000 citizens and established the first and largest "community living room" operated by a Chinese enterprise in Hong Kong. The Group's property management and modern services rank among the top two in the local industry.

New Achievements in Integrating Regional Development Strategies

Through a three-tier coordination involving the leadership group, regional working group, and strategic coordination office, the Group fully leveraged its diversified synergies to enhance organizational effectiveness, driving deeper cooperation between central and local governments. In 2024, the Group signed strategic cooperation agreements with nearly 30 provinces and municipalities, facilitating the implementation of significant projects. In the Guangdong-Hong Kong-Macao Greater Bay Area, the Baoan 12-inch production line by CR Micro has been successfully put into production. Beer Town officially opened by CR Beer in Shenzhen, while major projects such as the Jishan Warehouse Phase II and Houhai have been launched by CR Land. In the Beijing-Tianjin-Hebei region, CR Double-Crane completed the acquisition of Zizhu Pharm. The first phase of the Yantai Nylon New Materials Industry Upgrading Project by CR Chem-Mat has reached full production. In the Yangtze River Delta region, the Longgang, Wenzhou City Operation Cooperation Pilot Project by CR Land has become a demonstration sample for the development and operation of newly urbanized cities. In the Chengdu-Chongqing region, the Chongqing 12-inch project by CR Micro has accelerated production, establishing a strategic layout for "Two Rivers and Three Places". In the Northeast region, the Shenyang MixC completed renovation and made a strong reappearance. The



On 16 December 2024, CR Beer celebrated its 30th anniversary with a grand honor ceremony in Shenzhen, marking the opening of Beer Town and the completion of the Snow Building.

Lotte project has been smoothly progressing, while the Deer Industry Innovation Institute has been jointly established. In the Northwest region, the construction of supporting power bases for the "Xinjiang Electricity into Chongqing" initiative by CR Power has been expedited with initial results.

Accelerating Green and Low-Carbon Transformation

The Group has enhanced the standardized management of carbon emissions and continuously advanced the construction of zero-carbon park demonstration projects. Jiangzhong Medicine Valley has been recognized as the nation's first three-star zero-carbon factory. In promoting the green low-carbon transition, CR Power set a target for the proportion of renewable energy installed capacity to reach 50% by the end of the "14th Five-Year Plan" to vigorously develop its clean energy generation business. By the end of 2024, the equity grid-connected installed capacity of renewable energy reached 34,188MW, representing 47.2% of its total capacity, an increase of 6.5 percentage points compared to the end of 2023.

Significant Achievements in Fulfilling Social Responsibilities

For the eighth consecutive year, the Group's Social Responsibility Development Index has ranked first among China's Top 300 Enterprises. CR received "Good", the highest rank, for the seventh consecutive year in targeted assistance. The number of Hope Towns and Hope Villages established and planned has increased to 19 and 12, respectively. The Group has increased funding in targeted assistance to counties, and its support management model has been further refined. Additionally, it has successfully fulfilled tasks related to energy supply guarantee, livelihood support, and employment stability, while also providing high-level support for various types of events.

Seeking Progress while Maintaining Stability and Continuously Driving High-quality Development

2024 was a pivotal year for the implementation of the "14th Five-Year Plan" and an important year for advancing the Group's transformation and development. The Group firmly embraced the theme of high-quality development, adhering to the overall approach of seeking progress while maintaining stability. Through its efforts in enhancing core functions and improving core competitiveness, the Group effectively addressed the challenges and bottlenecks hindering transformation, further consolidating a development trend characterized by stronger growth momentum, higher quality and efficiency, and greater functional value, significantly contributing to the stabilization and recovery of the national economy.

Enhancing Quality and Efficiency in Core Responsibilities and Businesses

In 2024, the Group's key performance indicators reached new highs with steady progress. Centering on the overall goal of "one increase, one stability, and four improvements", the Group has been fully committed to improving quality and efficiency while ensuring stable growth. The operational performance has outpaced the market and exceeded the overall level of state-owned enterprises.

In terms of Consumer Products Segment, the Group has driven business transformation and upgrades. CR Beer continued to enhance its product structure, and its international business has grown rapidly. CR Vanguard resolutely exited long-term loss-making stores, achieving a unified national information system. CR Beverage has maintained its position in the packaged water market, with a three-year compound annual growth rate of 40% in beverage business. CR Ng Fung has made significant progress in exiting non-core and non-advantageous businesses.

In terms of the Integrated Energy Segment, green transformation has been accelerated. Over HK\$7.2 billion has been raised by CR Power through placement, and its integrated energy business scale grew rapidly. CR Gas pioneered a gas trading mall model and established an international company in Hong Kong as a platform for international trade, successfully completing its first shipment of 63,000 tons of domestically sourced LNG on the international market.

In terms of the Urban Construction and Operation Segment, the Group responded calmly to industry changes. CR Land successfully issued its first commercial public REIT, setting a new world-class benchmark with the Xi'an MixC, which ranked among the top three in the industry for the first time. CR Building Materials Tech advanced cost reduction and efficiency enhancement, further increasing its market share in six southern provinces and cities. CR Longdation achieved double-digit growth in both revenue and profit, creating multiple industry firsts in Hong Kong property management.



■ On 14 March 2024, CR Commercial REIT was successfully listed on the SZSE where leaders from CR, Qingdao Municipal Government, CR Land, CITIC Securities, and China Life Investment gathered to ring the bell.

In terms of the Healthcare Segment, the Group has capitalized on favorable opportunities for industry growth. CR Pharmaceutical has successfully completed the acquisition of Green Cross, significantly enhancing its core competitiveness in the blood products field. CR Pharm-Comm has continuously improved its profitability by securing national commercialization rights for four major oncology products. After successful acquisition of Tasly, CR Sanjiu has obtained approval for three classic formulas, being recognized as a "Manufacturing Champion Enterprise" by the Ministry of Industry and Information Technology. CR Double-Crane endeavored to promote the construction of its synthetic biology technology platform. CR Jiangzhong was the first pharmaceutical company to receive a three-star certification for digital transformation maturity in the industry. Additionally, the Intelligent Hospital of CR Health has also achieved significant progress.

In terms of the Industrial Finance Segment, the Group has advanced the optimization of its financial business management in an orderly manner. Due to the robust and smooth operation of the Finance Department, the synergy of industrial finance has

been further realized. CR Bank has optimized its product service system to improve its comprehensive client management capabilities. The construction of the "Four Centers" at CR Trust has progressed steadily. CR Asset has strengthened its capacity for effective asset management. Additionally, CR Capital has further refined and clarifies its functional positioning.

In terms of the Technology and Emerging Sectors Segment, the Group has accelerated building independent and controllable key core technologies. The CR Venture has gradually focused on its Technology & Innovation Platform, while major projects such as CR Micro's DSI, Runxi, Run'an, and Rungpeng have sequentially commenced production. CR Chem-Mat has achieved full production and sales of polyester bottle flakes. CR Digital's subsidiary, Resolink Intelligence, has been approved as a "Start-up Enterprise" by SASAC. CR Corporate Service has successfully completed the acquisition of SWCS, marking new breakthroughs in the development of its overseas procurement platform.

Accelerating Layout in Strategic Emerging Industries

CR has meticulously planned and deeply engaged in strategic emerging industries. In 2024, breakthroughs have been achieved, positioning these industries as new drivers of development. Of which, the investment in strategic emerging industries increased by 66.6% year-on-year; revenue from strategic emerging industries reached RMB 154.2 billion, representing 16.65% of total revenue. The Group has been enhancing specialized working mechanisms of strategic emerging industries so as to achieve major mergers and acquisitions breakthroughs in key areas.

Upon reinforcement of its special task force for strategic emerging industries and restoration of direct investment functions at its headquarters, the Group has created a comprehensive framework featured with a "1+5" strategic emerging industries support policy system. As the reserves of projects in strategic emerging industries continued to grow, the revenue share from these industries increased in a steady manner, of which task completion rate was among the top central state-owned enterprises. Significant achievements and milestones have been realized in integrated circuits, biopharmaceuticals, new energy, and advanced materials, among other fields.

In the integrated circuits sector, the Group has completed the acquisition of JCET, a leading global enterprise in semiconductor packaging and testing, in order to establish itself as a globally influential player in the industry. Major projects such as DSI, Runxi, Run'an, and Rungpeng have been progressing smoothly in terms of construction and production. The project "Key Technologies and Applications of Power MOS and High-Voltage Integrated Chips" received the second-class award of the National Award for Progress in Science and Technology. Meanwhile, two of its products "SiC JBS devices and serialized products" and "SiC MOSFET devices and serialized products" were selected into the Catalog of Scientific and Technological Innovation Achievements of central state-owned enterprises.

In the biopharmaceuticals sector, the Group has completed acquisition of leading companies in traditional innovative Chinese medicine, including Tasly, and the blood products firm Green Cross Hong Kong, which strengthened and extended the supply chain of Chinese medicine as well as accelerated business scale and core competitiveness of blood products. CR Biopharm's phase III clinical trial results for Reteplase were published in the prestigious medical journal "The New England Journal of Medicine". CR Sanjiu's project on the "Construction and Demonstration Application of the Ecological Planting Theory and Technology System for Chinese Medicine" received the second-class award of the National Award for Progress in Science and Technology. Two projects—"Construction and Application of the Pathogenesis Differentiation and Treatment System for Chinese Medicine in Oncology" and "Research and Application of the Treatment System for Functional Gastrointestinal Diseases through Liver and Spleen Care"—received the first-class awards of Science and Technology of the China Association of Chinese Medicine. Additionally, the first ISO international standard for Chinese medicine testing, "ISO/TS 13126: 2023 Chinese Medicine—Detection of Ochratoxin in



■ After implementation of overhead crane systems at both the Rungpeng and Runxi factories, CR Micro has redefined the material transportation in the wafer fabrication plants.

Natural Medicines Based on LC-FLD Method", has been officially released.

In the new energy sector, the Group has focused on planning large-scale "Desert-Gobi-Wasteland" bases in Xinjiang, Gansu, Inner Mongolia, and Qinghai, striving to pursue provincial management of offshore wind power projects and pilot programs in deep waters, while promoting centralized development of onshore wind and solar power. CR Power, in collaboration with Huawei Digital Power, completed performance testing of the world's first megawatt-level string-type grid-connected energy storage station, which was certified as "internationally leading" and included in the fourth batch of major technical equipment lists by the National Energy Administration. The Cangnan No. 1 offshore wind power project by CR Power Zhejiang Company received the "Best Wind Power Project of the Year" at the 20th Asian Energy Awards for successfully applying large units and all-monopile foundations in geologically complex marine areas.

In the new materials and other sectors, the project "Demonstration of Technology and Application of One-Stop Utilization of Mining Waste and Construction Solid Waste to Produce Low-Carbon Cement and Concrete" by CR Building Materials Tech received a certificate of scientific and technological achievement from the China Building Materials Federation. The arising outcomes have been recognized as reaching an overall international advanced level, with the "Key Technology for Producing Low-Carbon Cement and Concrete from High-Alumina Low-Calcium Waste" achieving an internationally leading standard. Additionally, the international standard in the field of knowledge graphs, titled "Standard for Technical Requirements and Evaluation of Knowledge Graphs" (IEEE 2807.1), which was co-developed by CR Digital, has been officially released.

Significant Achievements in Scientific Innovation and Digital Transformation

CR's distinctive scientific innovation management system gradually matured, integrating technology management, technical breakthroughs, achievement transformation, and talent cultivation to provide robust support for building a technology-driven nation and the Group's transformation and development. First, the Group enhanced its technology management system, strengthening the leadership of the Group's A Committee in scientific innovation and dynamically refining the "one enterprise, one strategy" scientific innovation management system, promoting the implementation of key management measures across subsidiary business units. Second, the Group deepened efforts in tackling critical core technologies, enhancing coordination and support for specialized research projects and actively pursuing more major scientific projects, resulting in a new batch of significant achievements. Third, the Group promoted the integration of industry, academia, research, and application, leveraging platforms like the CR Research Institute of Science and Technology, the Health Research Institute, etc., to deepen scientific collaboration with national laboratories and universities, establishing research projects and platforms that delivered tangible results in industry-academia-research cooperation. Fourth, the Group further facilitated internal innovation collaboration, refining the operational mechanism of

the innovation consortium to transform business strengths into scientific innovation advantages.

Fifth, the Group intensified efforts to attract and nurture high-caliber talent, leveraging its status as a Hong Kong-based central state-owned enterprise to actively recruit top-tier professionals. Sixth, the Group focused on strategic emerging industries, prioritizing specialized talent cultivation programs for these sectors, exploring mechanisms such as "one enterprise, one strategy", "one person, one strategy", etc., and encouraging flexible talent recruitment while promoting business units to refine scientific innovation incentive mechanisms.

The Group achieved a 75% digital coverage rate for key business processes, an increase of approximately 50% compared to the early stage of the "14th Five-Year Plan". The Group released the Data Circulation and Transaction Guidelines, with CR Vanguard's data products listed on a data exchange, successfully completing the Group's first internal data transaction. The Group launched a pilot application of its large-scale model, with the second phase of the treasury system construction receiving excellent evaluation results, further enhancing the "smart" governance at headquarters.

Continuous Optimization of Industrial Structure

Focusing on core responsibilities and main businesses, continuously advancing industrial structure optimization

The Group focused on "people's livelihood" businesses to promote the transformation and upgrading of traditional industries, leveraging their role in supporting the growth and expansion of strategic emerging industries. Simultaneously, the Group capitalized on the consumer proximity of "people's livelihood" businesses to provide rich application scenarios for technological, industrial, and model innovations, thereby facilitating the development of strategic emerging industries.

Additionally, the Group accelerated the cultivation and expansion of its "pillars of a great power" businesses, striving to enhance its strength and position in strategic emerging industries such as integrated circuits and biopharmaceuticals, actively seeking and pursuing high-quality asset acquisition opportunities, and promoting large-scale projects to drive significant investments, which in turn spurred substantial development, resulting in more landmark achievements.



On 23 October 2024, China Resources Beverage (Holdings) Company Limited (stock code: 2460.HK, stock abbreviation: CR Beverage) officially listed on the Main Board of the Hong Kong Stock Exchange, becoming the 18th listed company under the CR.

Consumer Products

Despite a persistently weak consumer market, CR Beer solidified its industry-leading position in the beer sector, maintaining the highest total sales volume while continuously upgrading its product structure and achieving rapid growth in international business. CR Beverage completed its Hong Kong listing process. The water business consolidated its market share in base markets, further expanding its leading advantage. Driven by key products, the beverage business experienced a significant performance increase.

Integrated Energy

CR Power maintained industry-leading per-unit profitability through measures such as continuously adjusting power trading strategies, intensifying user acquisition efforts, and integrating carbon emission quotas, achieving overall revenue growth and value creation. The integrated energy sector further expanded its scale, with significant revenue growth, particularly in low-carbon energy-saving services, energy storage, and distributed power supply. CR Gas pioneered the Qihewang trading platform model, maintaining its leadership in retail gas sales volume and achieving industry-leading numbers in both new and cumulative user connections.

Urban Construction and Operation

Amid industry downturn pressure, CR Land effectively achieved its annual performance targets, with contracted sales ranking among the top three in the industry, comprehensive commercial real estate strength leading the industry, and the property management area of Wanxiang Life remaining in the industry's top tier. CR Building Materials Tech solidified its leading position in regional markets, maintaining the top market share in Guangdong and Guangxi while increasing its market share year-on-year across six southern provinces.

Healthcare

CR Pharmaceutical achieved rapid growth in Dong-E-E-Jiao's core and nurtured businesses, with sustained improvement in brand influence, steady market share growth, and active advancement of the traditional Chinese medicine industry chain. CR Pharmaceutical Commercial secured national commercialization rights for four blockbuster oncology products, continuously enhancing its profitability. CR Sanjiu received approval for three classic prescriptions and was recognized by the Ministry of Industry and Information Technology as a "Single Champion Enterprise in Manufacturing". CR Double-Crane advanced the construction of its laboratory and pilot base in an orderly manner, laying a solid foundation for synthetic biology development. CR Jiangzhong received the National Science and Technology Progress Award (Second Class), marking its third such award in the past decade, and became the first in the pharmaceutical industry to achieve a three-star digital transformation maturity certification. CR Healthcare's integration of aerospace medical services progressed smoothly, with significant performance growth, the addition of 25 key provincial and municipal specialties, and the development of a smart service cloud platform, effectively enhancing patient convenience and experience.

Industrial Finance

CR Capital completed its strategic investment introduction for the financing and leasing business. The construction of risk control functions achieved initial success, with improvements in top-level risk control design, a basic understanding of the baseline risk profile established, and strengthened risk control information systems. CR Bank made steady progress in customer base development, enhancing its comprehensive customer management capabilities. CR Trust maintained its leading position in securities investment services.

Disposal of Ineffective and Inefficient Assets

Strengthening coordination, professional expertise, and efficient exit promotion	<p>The Group convened scale-down meetings at the Group level to deploy, review, and supervise special tasks related to "non-core and non-advantageous businesses" and "ineffective and inefficient assets". Relevant business units established robust leadership and working group mechanisms for the exit of these businesses and assets, forming dedicated task forces led directly by top executives or management teams for major exit projects. The Group established a professional platform, designating CR's assets as the specialized platform for CR's exit efforts, assisting relevant business units in exiting businesses or assets that are challenging or require high expertise.</p>
Improving the institutional system, optimizing coordination mechanisms, and enhancing disposal efficiency	<p>The Group issued the "China Resources Group Management Measures for Non-Core Businesses and Non-Advantageous Assets", further refining the exit mechanism, identification standards, and related processes, fully integrating these efforts into the 6S Strategic Management System and incorporating them into business planning, management reporting, and performance evaluation to achieve closed-loop management. The Group also issued the "Guidelines for Internal Collaborative Exit Work", clarifying the principles, responsibilities, obligations, and collaboration models for coordinated exits.</p>
Strengthening performance-driven accountability, ensuring exit responsibilities, and achieving resource optimization	<p>The Group incorporated the exit of "non-core and non-advantageous businesses" and "ineffective and inefficient assets" into the performance contracts of business units, maintaining this focus until work targets were achieved, fully leveraging the "baton" role of performance assessments to guide business units in decisively and orderly exiting these businesses and assets. Through enhanced performance orientation and strengthened positive incentives, the Group optimized resource allocation, directing resources toward core and advantageous businesses.</p> <p>In 2024, the Group planned to exit 11 "non-core and non-advantageous" business items, involving 6 business units. Currently, these 11 "non-core and non-advantageous" business items have substantially progressed with exit activities in accordance with previously submitted plans.</p>

Strengthening Anti-Corruption Supervision

The Group steadfastly advanced its efforts in Party conduct, integrity construction, and anti-corruption, consistently addressing "pointless formalities, bureaucratism, hedonism, and extravagance", while continuously improving its "Big Supervision" system. The Group focused on special rectification efforts targeting issues such as profiteering from enterprises and overseas corruption, seriously investigating and handling several major corruption cases involving high-ranking positions, large sums of money, and severe negative impacts. The Group routinely conducted integrity and compliance training to strengthen the foundation for resisting corruption. The Group diligently implemented central inspection rectification requirements, steadily advancing internal inspection and oversight. The Group conscientiously shouldered the political responsibility for rectifying feedback from the Central Inspection Team, coordinating "rectification and development" thematic research, special rectifications in key areas, and targeted project rectifications, ensuring the most resolute attitude, rigorous approach, and effective measures to fulfill rectification tasks, completing inspection rectification measures on schedule. The Group reinforced the sharp sword role of internal inspections.

Deepening the Anti-Corruption Campaign

The Group continuously intensified its efforts to address corruption, handling a 25.5% year-on-year increase in problem leads, a 25.5% increase in case filings, a 29.9% increase in Party and administrative disciplinary actions, and a 24.1% increase in referrals of suspected illegal or criminal personnel during the year, recovering economic losses of RMB606 million through case handling.

The Group relentlessly addressed "pointless formalities, bureaucratism, hedonism, and extravagance", investigating 351 violations of the Eight-Point Decision on Improving Party and Government Conduct throughout the year, consistently sending a signal of strict enforcement. The Group adhered to the principle of "no exceptions overseas", transferring multiple cases of suspected serious duty-related violations or crimes to the Hong Kong Independent Commission Against Corruption, promoting thorough and effective anti-corruption efforts abroad.

Balancing Punishment and Prevention

Rigorously punishing corruption to demonstrate a strong deterrent against corrupt behavior



The Group conducted in-depth special rectification campaigns targeting corruption in key sectors such as finance, energy, pharmaceuticals and healthcare, infrastructure projects, and tendering and bidding, severely addressing the persistent issue of "profiteering from specific roles or resources". The Group relentlessly corrected pointless formalities, bureaucratism, hedonism, and extravagance, launching special rectification efforts to address issues like irregular dining and drinking, improper official receptions, unauthorized construction of lavish buildings, and extravagant renovations, while seriously tackling hedonism and extravagance. The Group issued the "Ten Measures for Reducing Burdens at the Grassroots Level" to forcefully address formalism and bureaucratism. The Group adhered to a balanced approach of leniency and severity, emphasizing both punishment and protection, strictly implementing the "three distinctions" to differentiate errors from violations, and seriously addressing false accusations and framing, clarifying and vindicating 38 cadres against unfounded allegations throughout the year to support and encourage cadres and employees who demonstrate responsibility and initiative.

Robust Institutional Framework to Prevent Corruption



The Group addressed issues identified during case investigations by issuing 191 disciplinary and supervisory recommendation letters throughout the year, with enterprises at all levels holding 51 special democratic life meetings or organizational life meetings to promote reform based on case findings. The Group adhered to a policy of investigating both bribe-taking and bribe-giving, adding 127 individual bribe-givers and 32 corporate bribe-givers to a "blacklist" for management, thereby curbing the root causes of corruption. The Group issued the "Integrity and Compliance Commitment Letter", requiring all units to sign it alongside contracts with partners to enhance awareness of integrity and compliance. The Group continued to expand and strengthen its Shouzheng Electronic Trading and CR Trip platforms, plugging loopholes, preventing and mitigating risks, and leveraging their unique supervisory role in areas such as tender procurement and travel expense reimbursement.

Strengthening Education and Continuously Enhancing the Consciousness of Resisting Corruption



The Group deepened education through using cases to explain morality, discipline, law, and responsibility, organizing two system-wide warning education conferences and producing two warning education films, "Strengthening Party Discipline Education to Deepen Anti-Corruption Efforts and Upholding Integrity and Combating Corruption with a Focus on the 'Key Minority'". The Group reported 26 typical cases and issued three volumes of case warning records. The Group published the "List of Regulations and Systems on the Spirit of the Central Eight Provisions" and the "100-Item Negative List for Violations of the Spirit of the Central Eight Provisions", providing guidance for cadres and employees to strictly adhere to the Spirit of the Central Eight Provisions. The Group continuously promoted grassroots-level integrity education activities, delivering specialized courses to various departments at Group headquarters, second-tier enterprises, and various Group training programs, deeply embedding the concept of "integrity creates value, compliance safeguards development" in the organization.

Continuously Strengthening the Capacity Building of Disciplinary Inspection and Supervision Cadres

The Group maintained a regular learning mechanism, conducting 20 monthly collective study sessions throughout the year. The Group organized four specialized lectures, including topics such as "Understanding and Applying the Regulations on Disciplinary Actions of the Communist Party of China" and "Key Issues in Conducting Enterprise Supervision, Discipline Enforcement, and Law Enforcement". The Group held a training program for disciplinary inspection and supervision cadres themed "Integrity Creates Value, Compliance Safeguards Development". Through methods such as "Upward

and Downward Assignment" and "Training through Practical Work",the Group selected 91 key personnel to participate in special tasks and case handling at the Central Commission for Discipline Inspection, the National Supervisory Commission, and local disciplinary commissions. Additionally, the Group assigned 50 disciplinary cadres from second-tier enterprises to the Group's Disciplinary Commission to engage in case handling, correspondence processing, and special projects, effectively enhancing their supervision, discipline enforcement, and law enforcement capabilities.

Strengthening Compliance Information Disclosure to Protect the Rights and Interests of Small and Medium-sized Investors

CR continuously strengthened its investor relations management functions in 2024, issuing detailed guidelines for investor relations management to enhance its guiding and promotional role. The Group collaborated with its listed companies in various business segments to strengthen investor communication, with CR Pharmaceutical organizing an annual performance briefing for its A-share listed companies, followed by joint roadshows to deepen domestic and international investors' understanding of the healthcare segment. CR Land and CR Mixc Lifestyle jointly held post-performance roadshows to create synergy in the capital market. CR Micro and CR Chem-Mat conducted investor open days to deepen capital market engagement. CR consistently improved its information disclosure system, established a positive image in the capital market, and played an exemplary role. According to the 2024 information disclosure evaluation results published by the Shanghai and Shenzhen Stock Exchanges, the number of the Group's A-share listed companies receiving an A-grade rating increased from 8 to 9 out of 13. CR continuously promoted improvements in information disclosure for newly acquired listed companies, with Boya Bio-pharmaceutical's disclosure rating improving from C to B and KPC's rating advancing from B to A in recent years.

Improving the Risk Management Mechanism to Improve Risk Prevention and Resolution Capabilities

The Group steadfastly implemented the work deployment of "safeguarding the new development paradigm with a new security framework", achieving significant success in preventing and mitigating major risks. The Group continuously intensified efforts to address risks in debt, finance, and real estate, further solidifying the foundation for stable and robust corporate development. The EHS situation remained generally stable, with no major or higher-level incidents primarily attributable to the Group occurring. The Group's comprehensive risk prevention capabilities were consistently strengthened. The Group continuously improved its internal control effectiveness supervision and evaluation system, earning selection as a pilot unit for the construction of world-class rule-of-law enterprises. The Group also strengthened prevention and response to compliance risks in international operations.

Significant Enhancement of Major Risk Prevention and Mitigation Capabilities

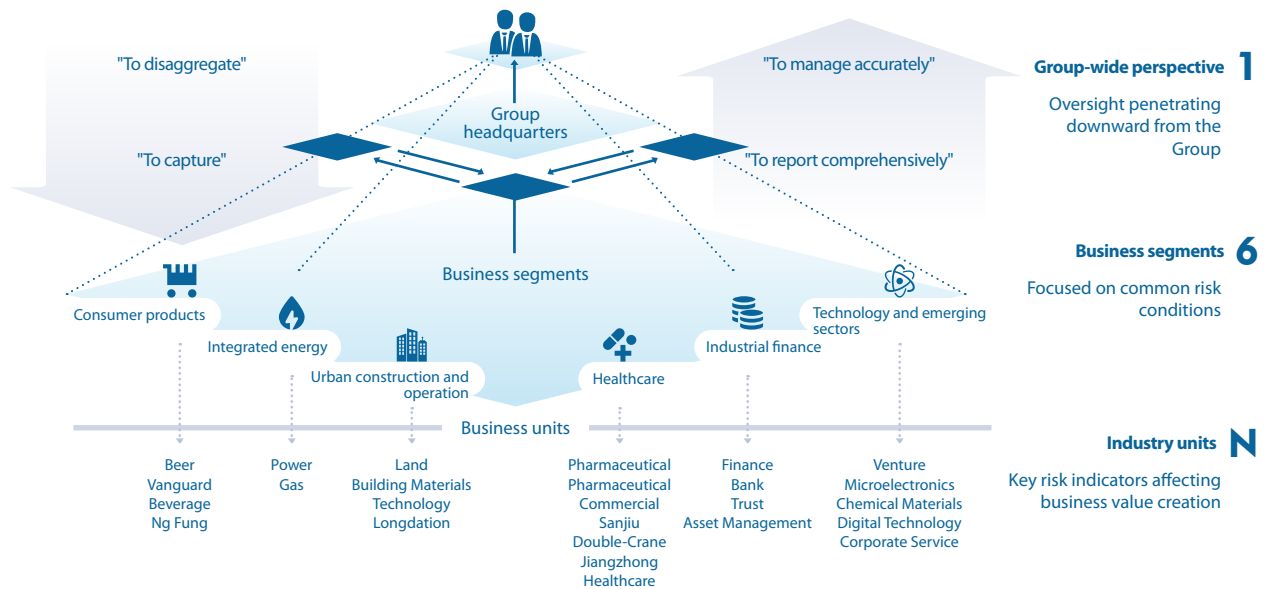
The Group consistently focused on risk prevention in key areas, clearly defining the assessment plan for the Group's asset-liability ratio, strengthening oversight of financial operations, and strictly controlling foreign exchange risk exposure. The Group intensified efforts to centralize funds from domestic and overseas non-listed companies, further consolidating and coordinating financial resources. The Group strengthened

efforts to reduce the number of legal entities, maintaining management levels within four tiers. The Group strictly implemented the "three 100% requirements", continuously improving the quality of legal reviews. The Group deepened compliance management, with all business units establishing chief compliance officer positions and setting up a compliance management joint conference mechanism.

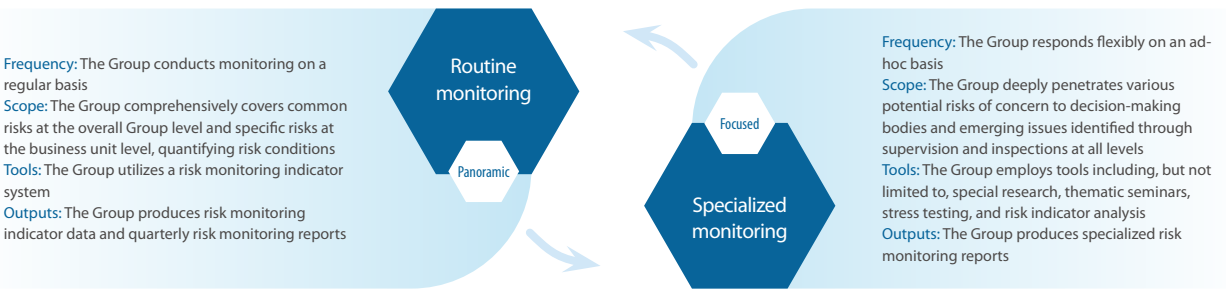
Continuous Improvement of Quarterly Major Risk Monitoring

In 2024, the Group adhered to a problem-oriented and goal-driven approach, further enhancing the penetration and comprehensiveness of risk monitoring efforts, and preliminarily established a China Resources-specific "routine + specialized" risk monitoring methodology, striving to evolve from merely "identifying" risks to "clearly understanding" risks. The routine monitoring mechanism regularly collects data on key risk indicators, focusing on performance returns, responsibility fulfillment, and business sustainability, holistically analyzing trends in the Group's major risk indicators while extending to operational risk indicators such as market competition within business segments, thereby strengthening the ability to manage industry risk conditions. The specialized monitoring focuses on sudden and emerging risk themes, flexibly investigating risks and deeply analyzing their causes and prevention measures. The combination of these approaches enables early detection, early intervention, and early response to risk changes.

To robustly promote the adoption and implementation of the risk monitoring methodology, the Group organized a specialized training session in 2024 titled "Strengthening the Internal Control System to Effectively Prevent Major Risks" for the internal control and risk management function. The Group emphasized the risk monitoring methodology and conducted action learning seminars on the risk monitoring system, organized by its six major business segments. Key risk management personnel from each business unit developed industry-specific risk monitoring frameworks presented in the form of mind maps, established a risk indicator database based on these frameworks, conducted forward-looking analyses on setting thresholds for key indicators, and applied the training outcomes to subsequent risk monitoring efforts.



Risk penetration monitoring



"Routine + Specialized" Risk Monitoring Mechanism

Commitment and Performance

Commitment Made in 2024

The Group should take the opportunity to conscientiously implement the central inspection and rectification, focus on finding and solving outstanding problems that restrict high-quality development, and address the root causes of the problems. After the centralized rectification period, the Group should continue to promote regular rectification, integrate rectification into daily work, deepen reform, and integrate into comprehensive and strict Party governance and team building.

"One profit" was growing steadily, and the "five rates" were continuously optimized. That was to say, corporate efficiency steadily improved, with gross profit, net profit and net profit attributable to the parent growing in tandem and striving to keep pace with the growth of the national economy; return on net assets, full-time labor productivity and operating cash ratio improved year-on-year; the strength of R&D investment and the efficiency of scientific and technological output continued to improve; and the overall gearing ratio remained stable.

Focusing on the national strategy, the Group steadfastly promoted the R&D of key core technologies; focusing on the needs of enterprises, the Group intensified its efforts to shape the new impetus for high-quality development.

The Group made every effort to build up its ability to withdraw from the industry, clearly defined quantitative indicators, formulated a list of "non-core and non-advantageous" businesses, implemented the requirements for rigid withdrawal, fully utilized the functions of CR assets, and pushed the Group's withdrawal from the "non-core and non-advantageous" businesses to make a substantial breakthrough within the year. The Group intensified its efforts in coordinating the governance of loss-making enterprises, strengthened tracking supervision and special assessment and evaluation, and strived to satisfactorily fulfill the control requirements of SASAC.

The Group should actively promote digitalization, intelligence, greening and low-carbonization, and make a breakthrough to higher value segments.

The Group's "1+6" regional working group platform should be fully utilized to strengthen the Group's horizontal connection at the regional level, and to achieve effective synergies through timely interactions.

Commitment Performed in 2024

Committed to "pointless formalities, bureaucratism, hedonism, and extravagance", CR continuously improved its "Big Supervision" system, and vigorously advanced special rectification efforts targeting issues such as profiteering from enterprises and overseas corruption. The Group routinely conducted integrity training, meticulously implemented central inspection rectification requirements, and steadily progressed internal inspection and oversight. It conscientiously shouldered the political responsibility for rectifying feedback from central inspections, coordinating thematic research, special rectifications in key areas, and targeted project rectifications, completing inspection rectification measures on schedule.

The Group's key performance indicators showed steady progress and reached new highs. Annual operating revenue increased by 4.42% year-on-year, and total profit grew by 5.11% year-on-year, both higher than the overall level of central state-owned enterprises. The asset-liability ratio remained stable, meeting SASAC's leverage stabilization targets. Overall labor productivity improved year-on-year, R&D investment intensity remained steady, and both return on net assets and operating cash flow ratio met budget targets.

The Group achieved outstanding results in its reform deepening and enhancement actions, earning an A-grade rating in SASAC's 2023 key task assessment and receiving an "outstanding overall achievement" evaluation in the "Double Hundred Action" and "Science and Technology Reform Action". Strategic emerging industries became a new avenue for growth, with investments in these industries increasing by 66.6% year-on-year, and strategic emerging industries' revenue share rising to 16.65%.

At the Group level, CR convened a scale-down meeting, and relevant business units established robust leadership and working group mechanisms for the exit of non-core businesses and non-performing assets. CR issued the CR Management Measures for Non-Core Businesses and Non-Performing Assets, fully integrating these efforts into the 6S strategic management system and incorporating them into business plans to achieve closed-loop management. The exit of non-core businesses and non-performing assets was included in the performance contracts of business units.

The digitalization coverage of key business processes at the Group level reached 75%, an increase of approximately 50% compared to the start of the "14th Five-Year Plan" period.

Through a three-tier coordination mechanism of "leadership group – regional working groups – strategic collaboration office", CR leveraged its diversified synergy advantages to expand central-local cooperation into broader and deeper domains. Throughout the year, strategic cooperation agreements were signed with nearly 30 provinces, autonomous regions, and municipalities, facilitating the successive implementation of major projects.

Commitment Made in 2025

CR will strengthen ideological and political development, continuously strengthening commitment to the "Two Upholds". The Group will strengthen and improve the long-term mechanism for the "Four Studies", further strengthen the "First Agenda" system, and ensure the implementation of "political requirements". The Group will enhance ideological and theoretical education to broadly consolidate consensus among cadres and employees, reinforce the ideological work responsibility system to create a favorable public opinion environment, and strengthen cadre team management and development to encourage responsibility and proactive action.

CR will maintain overall stability in the "One Profit, Five Rates" operational metrics system with targeted optimizations, ensuring dual growth in operating revenue and total profit. The Group will enhance and improve all operations in accordance with the "Five Values", deeply integrating them into the Group's reform and development efforts, maintaining reasonable growth in overall operations, and ensuring scale and synchronized enhancement of the "Five Values".

CR will focus on core responsibilities and main businesses to enhance industrial competitiveness and continuously optimize industrial structures. The Group will prioritize "serving people's livelihood" businesses, promoting the transformation and upgrading of traditional industries to play a supportive and elevating role in the growth of strategic emerging industries, and accelerate the development and expansion of "critical national assets" businesses to enhance the Group's strength and position in strategic emerging industries.

CR will adhere to comprehensive planning and differentiated strategies, strengthen root-cause governance, and address both symptoms and root causes to effectively leverage the "command baton" role of performance assessments, ensuring the successful achievement of the Group's three-year special action plan for loss reduction.

CR will continuously improve the CR "one enterprise, one strategy" innovation management system, integrating and advancing technology management, technological breakthroughs, achievement transformation, and talent cultivation to provide robust support for building a strong technological nation and the Group's transformation and development.

CR will continuously improve the "1+6" regional synergy mechanism, deepen central-local cooperation, align with the "15th Five-Year Plan" industrial planning of various regions, implement regional resource allocation and industrial layout guidelines, and optimize the Group's industrial spatial layout while contributing to regional high-quality development.

Employee Responsibility

Achieving Extraordinary Things Together



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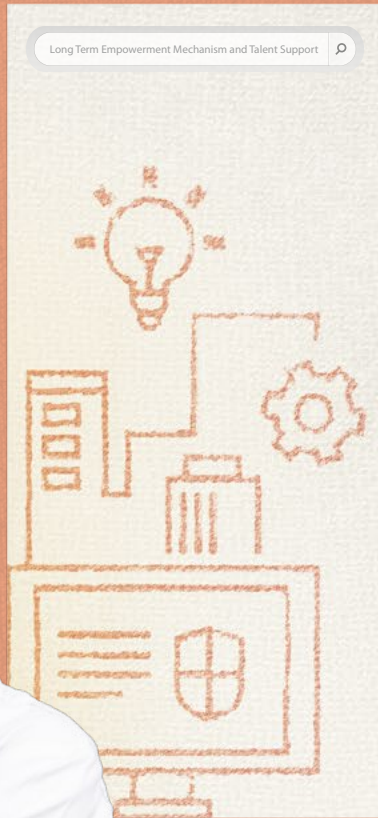
Story 2



Zhang Yanbin
Chief Engineer, R&D Center of CR Sanjiu Medical & Pharmaceutical Co., Ltd.
"National Model Worker" Award Winner

Forging an Everlasting Legacy with the New-Era Spirit of Model Workers

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"I signed a one-year contract through campus recruitment, hoping to give it a try, but it turns out I have been working for nearly 17 years." Reflecting on his post-graduation from the master's degree at Tianjin University of Traditional Chinese Medicine, Zhang Yanbin had numerous job opportunities to choose from. Some northern enterprises even offered him a ten-year contract that provides housing. Nevertheless, as a northerner, he resolutely travelled south to Shenzhen and joined CR Sanjiu.

It was not only the better air quality in the south that drew Zhang Yanbin, but he was also captivated by the "Open and Inclusive, Work Focused" atmosphere of CR Sanjiu. "Whether it is work or life, the environment here makes you feel comfortable, the ambience is great for doing research without many distractions. Management focuses more on the results. We are free to leverage our abilities in the process. We have plenty of research funds and our company has always encouraged us to be innovative, that is why we can dedicate ourselves to research with enthusiasm every day."

In the field of pharmaceutical R&D, the speed of talent growth and innovation capabilities are directly linked to the core competitiveness of enterprises. By establishing a "practice-driven, diverse empowered, and culturally immersive" talent cultivation system, CR Sanjiu paves the way for researchers to grow from inexperienced newcomers to industry experts.

According to Shi Yonggang, Deputy Director of the Mass Work Department of CR, CR has strived to promote new corporate apprenticeship and modern apprenticeship programs that systematically advance the "Pathfinder Plan", being dedicated to skill inheritance and technical backbone cultivation. Under the leadership of CR, various units also prompted the development of a skilled talent pool through different methods.

Long-term Empowerment Mechanism: From Campus to R&D Frontline

Zhang Yanbin, currently the Chief Engineer of the R&D center, has made great progress thanks to his dedicated research efforts on his journey. His desk has always been filled with books, from medicine to interdisciplinary fields. DeepSeek, which has gained popularity recently, is also among the books he bought to study. In the view of Zhang Yanbin, "you will be abandoned by the times if you do not keep learning, and you must keep learning to do scientific research because the knowledge required is incredibly broad."

Self-cultivation depends on individual effort, but it also requires a mentor to show the way. Zhang Yanbin's growth at CR Sanjiu would not have been possible without the "passing on, helping and guiding" training model. "When I first joined, I followed my mentors into the workshops. The laboratories at college focused more on basic research. Once you entered a company, you take part in actual production. Whenever opportunities arise, I seized them to go to the workshops," Zhang Yanbin said.

From Liu Zhigang, mentor of Zhang Yanbin in his early career, to Wang Yong, general manager of the R&D center, these seasoned experts continued to act as "pathfinders" for Zhang Yanbin and other researchers. "In scientific research, everyone is equal. You are welcome to ask questions or seek advice directly at any time. If you encounter any problem, you can discuss it with them anytime. Even if it means calling them at 11 p.m., they will patiently answer your questions." This cross-level technical exchange mechanism

allows knowledge and experience to be quickly transferred within the organization.

This learning-by-doing approach also allowed Zhang Yanbin to establish a connection between scientific research and thinking and engineering practice early in his career. From 2008 to 2010, he participated in the R&D of multiple projects and progressed from ordinary team member to project manager, achieving his first professional transformation.

The trust that CR Sanjiu places on newcomers is reflected in its training strategy of "shouldering responsibility". In 2011, Zhang Yanbin, taken up office for just two years, was entrusted with a major task to lead the project of developing "SQGG Granules", a new Class 1 drug for stroke treatment. "It is incredible that the company would put a newcomer in charge of a new drug project," he remarked. This daring appointment was supported by the "Mentor Support" mechanism established by CR Sanjiu, under which seasoned experts provide technical support to newcomers to ensure the projects are progressed with manageable risks.

Although that project ultimately failed to launch onto the market due to clinical risks, this experience enabled him to systematically master the entire new drug research and development process, and started to give him a sense of satisfaction and accomplishment in his career. "Just over a year into the project, we obtained the supplemental clinical approval - the first I ever received," Zhang Yanbin recalled.

At CR Sanjiu, talent cultivation is no single dimensional training, but a multi-dimensional system that includes practical opportunities, resources support and career development. According to Zhang Yanbin, "before 2015, the R&D center only had several tens of millions of investments each year; however, by 2024, it almost reached one billion." With sufficient funding, frontline R&D workers are empowered to pursue innovative exploration.

The "dual channel" promotion mechanism that is introduced after the organizational restructuring in 2012 has opened doors for technical talents to move up the career ladder. "You can only take the management path in the past, but now you can opt for professional paths such as managing director or first-class/second-class engineer." This system is designed to allow researchers to focus on their expertise and avoid "bureaucrat-centered" tendencies that would put restrictions to technological developments.

In the beginning, Zhang Yanbin studied traditional Chinese medicine in college and began to oversee chemical drug projects after the organizational restructuring in 2012. Facing a huge gap in professional knowledge, systematic training provided by the company has become a crucial support. CR arranged professional training in project management and drug analysis for researchers including Zhang Yanbin, and encouraged technical personnel to participate in external seminars. This continuous learning approach empowers researchers to expand their capabilities. Today, Zhang Yanbin is a master of drug development and has gained extensive experience in the field of chemical drugs, thus becoming a versatile talent in R&D.

Since 2017, Zhang Yanbin has been successively leading multiple projects to approval. Among them, the ambroxol hydrochloride oral solution for cough treatment has become a blockbuster product that achieved several tens of millions of sales annually.



Zhang Yanbin participated in the development and research of the Yiqi Qingfei project

During the post-pandemic period, Zhang Yanbin faced immense pressure when developing a new coronavirus recovery and treatment drug "Yiqi Qingfei Granules" as he had no prior experience in the research and development of similar drugs that the project was essentially built from scratch. Under the grueling challenge of a six-month application deadline for marketing, he led his team in an unconventional approach, running parallel research in 11 laboratories. During the industrialized production phrase, Zhang Yanbin and his team worked around the clock, entering the workshops at 7 a.m. and leaving at 2 a.m. for many days, observing and analyzing every detail in the workshops. "To ensure successful industrialization, we had to observe, record and analyze meticulously to achieve stable mass production quality." After day and night efforts, the project has been successfully approved in January 2025, filling the domestic gap in new drug development for pandemic recovery and treatment.

Supporting Talents: From Personal Growth to Organizational Capability Enhancement

As a senior expert who started from entry level, Zhang Yanbin has now taken up the mantle of mentoring new talents. Under his mentorship, he tailors his teachings to individual strengths, helping youngsters to find suitable paths. When assisting with their planning, he sets objectives and shares his experience to help them achieve their goals. He used to tell the youngsters, "there is no hierarchy or seniority. Discussions are about who makes the most sense, not who has the higher rank."

For his expectations on talents, Zhang Yanbin stated, "first, you observe their passion in research, then cultivate their innovative thinking, disciplined attitude and a habit of continuous learning." This approach has proven effective, with some of his mentees being able to lead projects independently within six months and take on project manager roles in around a year.

In the opinion of Zhang Yanbin, CR Sanjiu is a fertile ground where young talents can flourish. Its R&D mechanisms avoid the issue of "coaching the apprentice would starve the master". "Since everyone will take part in projects, the internal passing on, helping and guiding system encourages the mentors to expect their apprentices to progress faster. Moreover, CR Sanjiu not only encourages and arranges researchers to participate in various work-related training but also encourages them to frequently attend industrial training sessions, presentations and exchanges with college teachers so as to learn from the industry and to learn from practice.

In building of a long-term talent cultivation system, CR explored innovative models like the "Professional Engineer Program". Collaborative cultivation programs with universities allowed students to gain practical exposure in companies and demonstrated seamless integration of school education and industry demands. This "industry, academia, and research" cultivation model has equipped CR with quality candidates of talent.

Currently, the talent cultivation model of "industry, academia, and research" of CR Sanjiu is creating a "virtuous cycle" effect. As outstanding talents gradually emerge, the R&D capabilities of the company continue to strengthen, delivering streams of innovative results constantly. From the early R&D of traditional Chinese medicine to the current multi-field layout of chemical drugs and biological drugs, the R&D capabilities of CR Sanjiu rank among the top tier in the industry. The R&D investment of CR Sanjiu ranks among the top five as a traditional Chinese medicine enterprise, significantly surpassing the industry average.

Recently, Zhang Yanbin was awarded the "National Model Worker", which is an epitome of the CR Labor Union's efforts in creating platforms to assist employees achieve success. Shi Yonggang stated that CR has created "exemplary and leading" platforms, selected "CR outstanding craftsmen", and promoted the establishment of new innovative workstations for model workers and talented craftsmen.

From the "mentoring system" in early employment to the "dual channel" for career development, coupled with sufficient R&D investments and flexible management mechanisms, and supported by a strong "passing on, helping and guiding" culture, each aspect provides nourishment for talent growth.

In today's increasingly competitive pharmaceutical industry, CR is building a formidable R&D team capable of tackling tough challenges and achieving victories by continuously optimizing its talent cultivation system. As noted by Zhang Yanbin who rises from an inexperienced newcomer to an expert in R&D, "in here, as long as you have ideas and are willing to learn further, the company is a stage for you to succeed. Such respect and cultivation of talents is the central strength of CR's competitiveness".

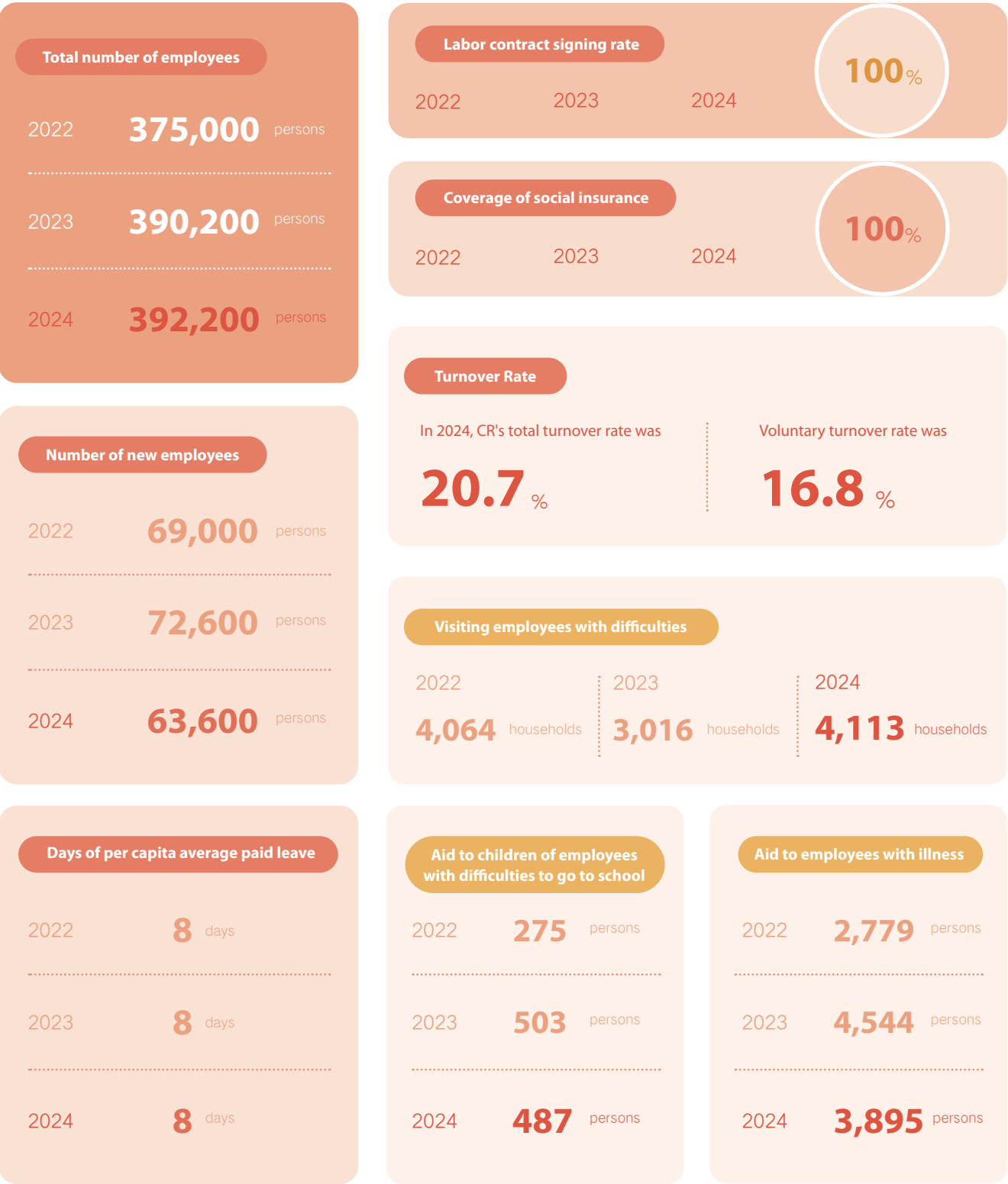
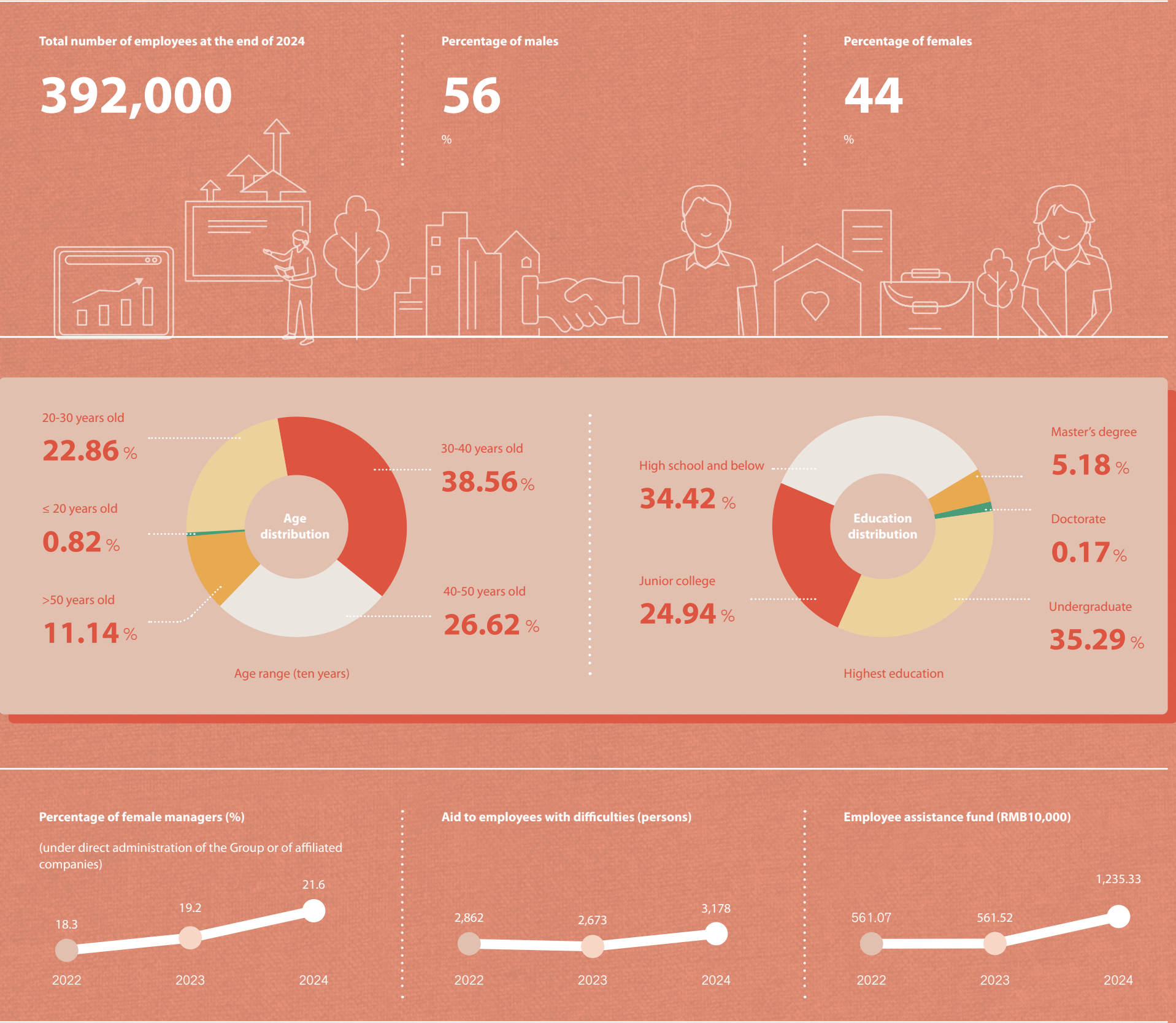
Concept and Vision

We regard our employees as the driving force for our development. We respect the legal rights of each employee, value individual growth, and strive to create a positive workplace as best as we can. We are committed to providing a decent and healthy life for each CR employee while ensuring the balance between their work and family.

SDGs Responses



HKEX ESG indicators covered in this chapter: B1.1, B1.2, B2.1, B2.3, B3.1, B3.2, B4.1, B4.2



Employee Rights and Interests Protection

Taking employee rights and interests protection as the central cornerstone of sustainable development, CR has established a rights and interests protection system covering the entire employment cycle and a respectful, equal and safe workplace. Commitments of sustainable development are implemented through lawful management and regulation as well as humanized measures.

Employees' Basic Rights and Interests

Upholding equal employment and diversified development with strict implementation of fair recruitment system, we maintain a zero-tolerance stance towards labor violations in stringent compliance with laws and regulations such as the Law of the People's Republic of China on Safeguarding the Rights and Interests of Women, Provisions on the Prohibition of Using Child Labor and Law of the People's Republic of China on the Protection of Minors. Forced Labor, child labor and workplace harassment are totally prohibited. We strengthen anti-abuse complaint mechanisms and anonymous whistleblowing

channels to safeguard employees' personal safety and dignity. We treat employees regardless of their ethnic background, gender, age, cultural differences or religious beliefs. We are committed to promoting equal employment opportunities for migrant workers and the disabled while actively recruiting veterans and women into as well as facilitating employment and development of Hong Kong youths. In 2024, there were no material labor disputes among CR, and no instances of discrimination were discovered in any employment process.

Bringing Diversified Talents Together to Build a Cornerstone for Development

Supporting the Employment of Hong Kong Talents

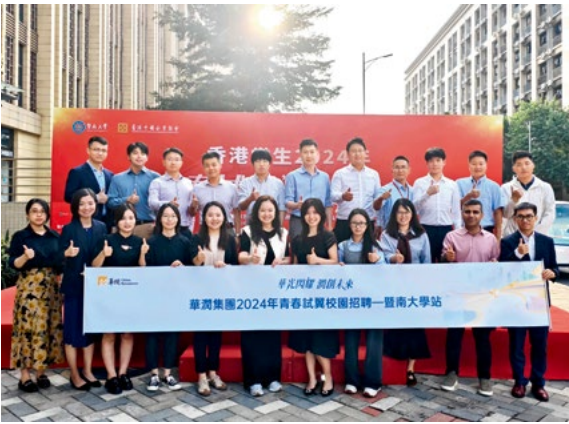
CR fully supports the talent cultivation and attraction initiatives outlined in the 2024 Policy Address by the Government of the Hong Kong Special Administrative Region that addresses the difficulties faced by the youth in education, employment and entrepreneurship, facilitating the integration of Hong Kong youths into the national development framework. We intensified our efforts in recruiting Hong Kong talents, hiring over 2,000 Hong Kong youths under 45 years old across the Group.



CR received the "2024 Most Popular Enterprise for Global Talent" award

- For the first time, we organized a themed recruitment event "Shining Future with CR" for 6 universities in Hong Kong, offering more than 800 prestigious positions including postdoctoral and R&D roles. Our subsidiaries also travelled to mainland universities to recruit graduates from Hong Kong, which attracted many applications of outstanding young students from Hong Kong.
- We participated in 8 Hong Kong university student internship programs organized by the Hong Kong government, including the "Corporate Summer Internship on the Mainland and Overseas 2025", "New Opportunities-New Terrain Job Expo" and "Fly Your Dream", offering approximately 300 internship positions. We were leading among Chinese-funded enterprises in Hong Kong that 149 interns were hired, achieving the highest overall recruitment rate in history and nearly two times higher than that of 2023.

- We continuously organized branded activities such as the "Together for Dreams", "Youth Dreams" and "Beyond Dreams". The Group also hosted the "Summer Internship Training and Exchange Program for University Students from Hong Kong" to foster connection and encourage friendly relations.
- We were invited to participate in the "2024 Hong Kong Top Talent Recruitment Expo" in second consecutive year and the "Innovating Hong Kong - Global Talent Carnival" recruitment fair for the third time. We have joined the "Hong Kong Youth Internship and Employment Alliance" and received the "2024 Most Popular Enterprise for Global Talent" award.



"New Graduates-New Opportunities" recruitment briefing for Hong Kong students

Supporting the Employment of University Graduates from Underdeveloped Regions

In August 2024, CR participated in the 14th Central Enterprises Special Recruitment Campaign for University Graduates from Tibet, Qinghai and Xinjiang under the theme of "Caring for Three Regions, Creating New Beginnings". We mobilized business units such as CR Power to offer a total of 273 job positions across three regions, representing a year-on-year increase of 87%. 64 candidates were recruited, a year-on-year increase of 94%. These job positions spanned across professional and technical, functional and marketing roles.

In May 2025, CR, the Department of Human Resources and Social Security of Ningxia Hui Autonomous Region, the Municipal Government of Zhongwei City and Ningxia University jointly hosted a special recruitment fair named "Nurture Ningxia, Dream for the Future" in Ningxia where 9 business units including CR Power, CR Beverage, CR Ng Fung and CR Building Materials Tech offered 223 positions with over 1,000 people in demand, attracting a number of applications from top students.



The 14th Central Enterprises Special Recruitment Campaign for University Graduates from Tibet, Qinghai and Xinjiang



"Nurture Ningxia, Dream for the Future", a special recruitment fair held by CR in Ningxia in 2025

Leveraging Young Talent Reserves and Advancing Employer Brand Building

CR actively implemented the tasks of job stabilization and employment promotion, intensified recruitment coordination, deeply explored employment potential and conducted special recruitment fairs in spring, summer and autumn. In 2024, CR planned to recruit 5,857 university graduates. However, it has met the recruitment targets set by the SASAC with 5,946 graduates successfully recruited.

CR deeply promoted employer brand building and completed the switchover to the headquarters' recruitment system named Runpin, providing extensive support for HR users in each level of the Group. The operational quality of the China Resources Recruitment WeChat Official Account and China Resources Recruitment WeChat Channels has been regularly improved, stimulating vitality of internal talent market and facilitating cross-unit talent exchanges. CR was honored with various employer brand awards such as the "China Best Employer Award 2024 (National Top 20)", "2024 Extraordinary Employer", "2024 Employer Brand Management Model Award" and "2024 Top Ten Outstanding Youth-Friendly Employer Brand Award".



CR was awarded the titles of "China Best Employer Award 2024 (National Top 20)" and "China's Most Socially Responsible Employer 2024".

Promoting Compensation Reform and Strengthening Leadership Demonstration

CR implemented proper guidance on revenue distribution and deepened remuneration reform that prioritizes efficiency while taking fairness and development into account. It also established a sound remuneration system that conforms to policy guidance and reflects CR characteristics. Through its exceptional compensation and benefits management, it enhanced quality and efficiency, fostered the creation of values,

and stimulated passion and vitality for entrepreneurship to ensure the preservation and appreciation of state-owned assets. We focused on driving compensation reform and optimizing compensation incentives in 2024 while continuing to implement the tenure system and contract management of the managerial roles, comprehensive performance management and salary raise for frontline employees.

Leveraging the Reform as an Opportunity to Optimize Remuneration Management System

We have fully implemented the requirements of "limiting the high, expanding the middle, raising the low", optimized salary levels and system benchmarking subjects, and improved the remuneration management system that is based on position value and performance contribution. We set the remuneration cap in a scientific manner to improve the remuneration distribution among employees at different levels. Improvement plans have also been formulated according to levels and categories to establish reasonable levels and structures of remuneration and to regulate the layout of employee allowances and welfares. CR has further refined its approach of total salary management, strengthened the internal regulatory mechanisms, and strictly regulated the order of income distribution, enhancing the general labor productivity of the Group.

Formulating and implementing the optimization plan for headquarters employee remuneration system to ensure controllable caps, internal fairness, and precise incentives, demonstrating the reform of the Group's headquarters remuneration system

We formulated the "Measures on Managing Organizational Performance of CR Headquarters Departments and Offices" and the "Measures on Managing Employees' Performance of CR Headquarters" to refine and improve the performance evaluation systems for headquarters organizations and employee performances. Through leading by example, a unified Group-wide performance management standard has been established. CR formed a special task force for subsidiary-level remuneration reform, optimized remuneration systems with "one enterprise, one policy" approach and established a differentiated remuneration distribution mechanism that aligns with higher-level policy guidance, compatible with its functional nature and pegged to operational performance, thus prompting comprehensive reform coverage.

Driving diversified and precise incentives to explore the establishment of medium-to-long term incentive mechanisms

We strengthened support for new industries and allocated resources to incentivize technological talents to build robust engines for new quality production forces. Using CR Micro as a reform pilot, a hierarchical and categorized remuneration and incentive mechanism that is based on job values has been established to create a model of talent incentives for new industries. In 2024, individual support for total salary in technological innovation businesses across 12 units including CR Micro, CR Building Materials Tech, CR Double-Crane and CR Chem-Mat increased by 10% compared to the previous year. We explored the implementation of medium-to-long term incentives and successfully unlocked the first phrase of restricted share incentive plans in four enterprises, CR Micro, CR Building Materials Tech, CR Double-Crane and CR Chem-Mat. CR orderly advanced the restricted share incentive plans of Dong-E-E-Jiao and Jiangzhong Pharmaceutical, in which backbone research personnel and highly skilled talents accounted for over 50% among the incentive recipients, and realized the application of various medium-to-long term incentives tools, such as research milestone rewards and employee stock ownership in mixed-ownership enterprises to be covered by the subsidiaries.

Reinforcing the leading role of assessments and strictly determining remunerations based on assessment results

We continuously promoted the enhancement and expansion of the tenure system and contract-based management for management team members. We ensured rigid implementation of annual performance bonuses and strategic incentives by strict adherence of contractual agreements. By actively increasing accountability and enforcing strict measures, income can be adjusted to increase or decrease as appropriate. We implemented performance management and established an operational results management system for all employees, guiding, reviewing, and documenting any revisions and refinements to performance management systems in business units. We implemented rigid distribution, underperformance adjustments, and exits for incompetence, building an operational management responsibility system where "heavy burdens are shared by all, with clear objectives for each."

Promoting common prosperity and improving the income level of grassroots frontline employees

We improved the salary increment system for frontline employees, emphasized care, training, and incentive protection for grassroot employees, and steadily improved income levels. In 2024, individual support for "raising the low" total salary for frontline employees in 15 units, including CR Vanguard, CR Ng Fung and CR Longdation, increased by 62% compared to the previous year, covering more than 50,000 grassroots employees at frontline roles. CR improved the allowance and welfare security mechanisms and encouraged its subsidiaries to improve allowance standards for demanding, hazardous, or strenuous roles so as to improve the treatment and benefits of frontline employees.

Upgrading the Annuity System and Increasing Social Security for Employees

Improving the Design of Enterprise Annuity Management

We revised the "Articles of Association of Enterprise Annuity Management Committee", optimized and consolidated the "Rules of Procedures of Enterprise Annuity Professional Investment Committee", and clearly defined the division of powers and obligations as well as decision-making process.

To meet the needs of investment management and risk control under a new phase of annuities, we revised the "Measures for the Assessment of Investment Managers" and the "Measures for the Assessment of Trustees, Account Managers and Custodians" to standardize the operation and management of annuities, steadily leverage assessment evaluations and incentives, and strengthen dynamic monitoring and regulatory constraints on investment management institutions.

On the other hand, configurations and personnel of the management committee, investment committee and annuity office have been internally optimized to enhance organizational strength.

Optimizing the Group Enterprise Annuity Framework Plan

We stepped up post-retirement life protection for most employees, and scientifically adjusted the proportion of enterprise contributions and contribution amount. Adhering to a long-term perspective, rules of benefits-linked adjustments were stipulated, prompting units to ensure that the cost and expenditure of enterprise annuity align with economic benefits.

As of the end of 2024 the Group's headquarters, 24 business units and 2 directly affiliated organizations established enterprise annuities for their employees

Approximately 210,000 individual accounts at the end of the period

Cumulatively, 19,000 retired employees have received annuity payments

Continuously Strengthening Democratic Management and Establishing a Labor Union

We actively explored and improved the democratic management system with the workers' congress as its primary form, adhering to the principle of aligning workers' congress authority with enterprise management authorization, while upholding enterprise affairs transparency. Through regular workers' congresses, employee satisfaction surveys, and other measures, the Group listened to employees' constructive suggestions and safeguarded their legitimate rights and interests.

Continuously improving the system of workers' congress

The number of grassroots enterprise workers' congress increased from 585 at the beginning of 2022 to 1,193 at present. Over 1,300 workers' congress meetings were conducted across the labor unions of affiliated enterprises annually under our supervision. Enterprise affairs were fully disclosed to ensure that employees' rights to information, participation, expression, and supervision were properly safeguarded. Each enterprise held 790 "I Contribute Good Ideas for the Enterprise" rational suggestion activities, effectively raising the level of democratic participation among workers.

Solidifying labor union foundations

We launched the "Year of Grassroot Union Foundation Enhancement" campaign and standardized the establishment and management of labor unions according to the requirements of "nine aspects, one display", allowing labor unions to be established whenever necessary. In 2024, the number of labor unions grew from 1,090 at the beginning of 2022 to 1,421, an increase of 30%. The number of labor union members grew from 312,000 to 361,000. CR workers in Mainland China were integrated in the labor unions' scope of service. We promoted the construction of workers' homes and small workers' homes and built worker's reading houses. In February 2024, 2 grassroots labor unions was awarded the "National Model Workers' House" and 4 grassroots labor unions were awarded the "National Model Small Workers' Home".

Empowering the development of labor union cadres

We recognized 30 group-level labor union experts and organized regular "Labor Union Experts Support Enterprises" activities to guide underperforming units to improve the overall quality and efficiency of labor union efforts. The Group and its business units organized hierarchical labor union trainings and invited several experts from the China University of Labor Relations as lecturers, enhancing the overall practical capabilities of labor union cadres. In 2024, 1 trade union cadre was awarded the "National Outstanding Labor Union Worker".

Promoting the application of "intelligent labor union" platform

We built a labor union online management system by capitalizing the Group's Party building e-site and intensified the information management of basic labor union works.

Further standardizing assets and fund usage of labor unions at all levels

We implemented budget and final account management by utilizing the supervisory role of the fund review committee and guided 8 grassroots labor unions of Shenzhen enterprises to complete audit rectifications for the funds of Shenzhen Municipal Federation of Trade Unions.

Strongly Upholding the Bottom Line of "Zero Wage Arrears" and Protecting the Rights and Interests of Special Groups

We coordinated our underlying business units to comprehensively strengthen measures of eliminating wage arrears, so that any wage arrears incidents were immediately reported, investigated and handled. We resolutely upheld the bottom line of "Zero Wage Arrears" to effectively safeguard the legitimate rights and interests of migrant workers and maintain social harmony and stability.

We adhered to promote the "One person, One Policy" initiative for retired cadres and expanded the benefit eligibility at headquarters to the retired employees aged 90 and above. We set up bank accounts, assigned specialists and provided precise services. In 2024, 121 seniors from headquarters visited the affiliated enterprises and learned about the progress of enterprise reform and development and contributed ideas for enterprise development, demonstrating the strength of the "silver-haired".



We carried out the "Giving Women's Hearts to the Party, Embarking on a New Journey" themed activity and the "Blossoming Women's Charm, Embracing a Better Future" women's mental health care and empowerment lecture. We promoted labor unions at all levels to organize "Rose Scented Book Hall" and "Women's Symposium" and cultivated innovative workshops for female employees, supporting their growth, excellence, and contributions to success.

We cared for cadres and employees in remote areas and visited Hami, Xinjiang, one of the national Class V remote and impoverished regions to conduct group psychological counselling and management team empowerment activities.



CR Power set up caring holidays and care rooms for female employees and provided psychological counselling services and exchange activities. Special examinations such as gynecology and breast screenings have been added into the health checking package of female employees. Healthcare related lectures were also organized periodically for female employees. CR Power launched appraisal commendation activities to give full play to the exemplary role of outstanding models of female employees.



CR launched various activities, showing its care for special groups



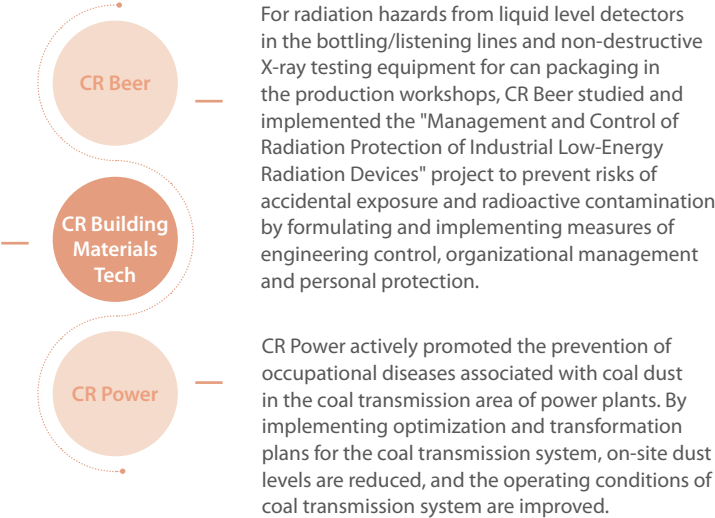
Building a New Great Wall of Occupational Health

Upholding the principle of "people come first, life comes first", CR remains steadfast in assuming the primary responsibilities of occupational health, continuously driving enhancements in the quality of employees' occupational health, effectively safeguarding employees' health and safety rights and benefits to jointly build a robust defensive barrier against occupational diseases.

Deepening the Prevention and Control of Occupational Disease Hazards at the Source

CR takes the implementation of key occupational health projects as a critical focus, actively ensuring resource allocation and continuously carrying out all-around management of major occupational disease hazards such as noise, dust and radiation to improve workplace environments and conditions.

Remained focused on dust-related occupational disease and hazards at cement packaging and delivery positions, CR Building Materials Tech carried out automated technology upgrades to mitigate dust hazards while eliminating risks of mechanical injuries inflicted on personnel.



Extensively Promoting Occupational Health Publicity and Education

CR participated in the "National Open Class for Workers' Occupational Health Knowledge" organized by the All-China Federation of Trade Unions

Number of participants ranked the first among the enterprise list, and obtained the title of "Excellent Organizational Unit"



CR obtained the title of Excellent Organizational Unit in the "National Open Class for Workers' Occupational Health Knowledge" organized by the All-China Federation of Trade Unions.

Launching the Prevention and Control of Occupational Diseases Law publicity week activities

Organized more than 7,900 themed publicity events during the period

Mobilized around 19,000 publicity staff

Printed and published around 140,000 publicity materials and produced around 1,200 publicity videos

Reached over 450,000 people regarding publicity efforts

Effectively strengthened employees' awareness of the rule of law on occupational health

Organizing online prized quiz competitions on occupational health

Attracted more than 56,000 participants

Answered around 300,000 questions cumulatively

Promoted learning through competitions and facilitated employees' occupational health awareness and skills to be further enhanced

Focusing on their own major occupational hazards such as dust, noise, high temperature and chemical toxins, CR Beer, CR Power, CR Building Materials Tech, CR Jiangzhong, CR Micro and CR Chem-Mat conducted regular occupational hazard warning education and occupational disease protection training that highly matches with job positions, constantly strengthening employees'awareness of occupational health and self-protection.

Reinforcing the Prevention and Control of New Occupational Hazards

CR fully implemented the holistic health concept and prevention-first principle, actively carried out the prevention and treatment of emerging occupational disease hazards and work-related conditions, such as musculoskeletal disorders and occupational stress, and continuously strengthened comprehensive employee health management. Under the theme "Walking to Pass the Torch, Embracing Health through Exercise", CR organized a distinctive all-employee walking initiative, attracting 26,000 participants who collectively walked 1.4 billion steps. Through 82,000 step-count milestone check-ins for Party history study, CR achieved an effective integration of exercise and health with the inheritance of the red gene.

CR Pharmaceutical headquarters launched "The More You Move, The Healthier You Are" walking and running event



Actively Creating and Spreading Advanced Occupational Health Concepts and Cultures

CR continuously enhanced the level of enterprise health management services. In 2024, a total of 154 enterprises were awarded the "Healthy Enterprise" title by local governments, among which 18 grassroots enterprises, including CR Power's Hunan Company and CR Building Materials Tech's Quanzhou Company, were successfully selected as outstanding healthy enterprise cases by the National Health Commission. CR vigorously promoted the "Strive to Be an Occupational Health Champion" campaign. In 2024, 411 employees were recognized by local governments as "Occupational Health Champions". By selecting and promoting exemplary models, the initiative drives broader impact from individual examples, fully leveraging radiating and exemplary leadership effects in occupational health.



The Guigang Base of CR Buildings and Materials Technology invited experts from medical institutions to conduct occupational health prevention training.

CR Micro, CR Pharma, CR Land and CR Sanjiu regularly organized diverse sports activities, such as tug-of-war, floor curling and badminton. CR Beer, CR Gas, CR Building Materials Tech and CR Pharmaceutical conducted early prevention and emergency first aid training focusing on common cerebrocardiovascular diseases. CR Vanguard and CR Longdation provided proper physical handling and operation training focused on the prevention and treatment of skeletal and musculoskeletal disorders. CR Land, CR Power and CR Chem-Mat invited professional counsellors to deliver mental health-themed lectures within their organizations.



CR Jiangzhong's manufacturing base in Wanli conducted first aid bandaging skills competition



CR Power's Jinzhou Company was invited to participate in the main event of the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases promotion week and was awarded the excellent case of healthy enterprise construction.

Broadening Career Development Pathways to Empower Employee Growth

Talent Cultivation and Cadre Team Construction

CR organized the eighth session of senior management training focusing on the theme of building a high-level "3+1" talent team, conducted in-depth discussions by using action learning method and published the "Interim Review Report of the Group's '14th Five-Year Plan' Talent Strategy". CR deepened the training programs for engineering master's and doctoral students and formulated the integration of joint construction with the National Academy of Engineering. 1 new postdoctoral workstation has been established with 27 new postdoctoral researchers enrolled. As of the end of 2024, a total of 67 postdoctoral researchers has been stationed in the Group's postdoctoral workstations or innovation practice bases.



CR organized the eighth session of senior management training



In 2024, the Group issued the "Management Measures for Cadre Education and Training of CR" and the "Plans for Cadre Education and Training of CR", to refine and improve the requirements and measures related to cadre education and training and boost the standardization level of cadre education. The Group also issued the "2024 Cadre Training Plan of CR" to establish an education and training system for building "3+1" talent teams led by the Party. Throughout the year, 21 education and training sessions were conducted, including Party member cadre rotation and training, Group senior management training, outstanding young cadre training and the way of CR, continuously improving cadres'political capabilities and practical skills.

For education and training, we consistently incorporate the Party's innovative theories and anti-corruption education as mandatory courses in the process of cultivating outstanding young cadres at the Group and business unit levels, which solidifies the foundation of ideals and beliefs. **For dynamic management**, we adhered to the principle of selecting the best and eliminating the worst. By the end of 2024, the Group conducted five rounds of outstanding young cadre selection, cumulatively training over 440 people, while business units have over 2,800 outstanding young cadres in training reserves. For practical experience, the Group has vigorously promoted cross-unit rotation and exchanges for outstanding young cadres. By the end of 2024, 40% of the Group's outstanding young cadres have been promoted, and 13% of which have participated in rotation and exchanges.



Deepening School-Enterprise Cooperation



In October 2024, the Group's General Manager Wang Cuijun visited the Chongqing University and met with the Chongqing University Headmaster Wang Shuxin for discussions and exchanges. Both engaged in profound exchanges and discussions about deepening industry-education integration and talent development. CR and Chongqing University achieved prominent results in their collaboration of talent cultivation, where both parties will focus on key areas such as integrated circuits, smart energy and biomedicine, further expanding the scale of engineering master's and doctoral programs for industry-focused reform pilot students, deepening industry-education-research collaborations, promoting the commercialization of scientific and technological achievements, bolstering the talent reserve of CR, establishing a new collaborative framework for university-enterprise joint training, so as to collectively support major national strategies.

■ Group General Manager Wang Cuijun visits Chongqing University Headmaster Wang Shuxin



Deepening CR Land's Talent-Driven Enterprise Strategies



CR Land attached great importance to the training of all types of talents. With the goal of "cultivating superb talents, solving real problems, creating good platforms", it established a hierarchical and organized project system according to the growth trajectory of talents and further promoted its implementation through a digital learning system. Using action learning as pathway, CR Land conducted 24 key action learning sessions, including the "SOCT Strategy-Organization-Culture-Team" workshop, the "3+1" talent team initiatives, and the "new approaches to existing projects". CR Land also has 65 newly certified catalysts. Furthermore, the SOCT action learning workshop received the Best Business Promotion Award from The World Institute for Action Learning. In 2024, CR Land invested RMB27,500,000 in training and conducted 506 specialized sessions, achieving 100% coverage.

Talent Recognition and Career Development

Independently Evaluating High-Caliber Talents

In 2024, the Group revised the "CR Technology Talents Evaluation Measures and newly evaluated 5 leading technological talents in the Group, 46 leading/backbone technological talents in business units, and created a talent pool of the Group's key technological research backbones with around 300 individuals firstly joined the pool. The Group continued to carry out evaluations and selections. 2 individuals were newly awarded the title of "National Technological Expert", and 54 individuals were selected as Group's outstanding craftsmen in the new evaluations and selections (totaling 138 persons), fostering an atmosphere that respects labor, advocates innovation and encourages practicality.

Initiating Independent Evaluations of Professional Titles

The Group initiated talents' independent evaluations of professional titles. In the beginning of 2024, 1,440 individuals passed evaluations, and 431 individuals passed selections, facilitating career advancements of skilled talents. This expanded the alignment of certain professional technical qualifications and titles with international, Hong Kong and Macau standards, suiting the actual needs of talent in Hong Kong-based central state-owned enterprises better.

CR Double-Crane launched the "New Enterprise Apprenticeship System" to enhance the frontline workers'skills



The project adopted the "school-enterprise dual systems, work-study integrations," with enterprises and schools collaboratively undertook the mission of providing training. Enterprises mainly improved their working capabilities through mentoring, while schools mainly adopted the "integrated" training method to strengthen apprentices' professional knowledge. The project effectively expanded the reserve pool of skilled talents, optimized team structures, and significantly lowered the average age of skilled talents. Furthermore, all 178 trainees participated in skilled talent evaluations, among which 103 participants were successfully recognized, achieving a success rate of 57.9%.

The project not only raised employees' skill level but also enhanced production efficiency and product quality. The quality complaint rate decreased from 22.8% to 21.4%, the production safety incident rate dropped by 50%, the Out-of-Specification (OOS) rate of drug testing reduced by approximately 20% and the inspection batch per capita increased by approximately 5%. CR Double-Crane established a diversified training model, forming a specialized skill development pathway.

■ CR Double-Crane launched the "New Enterprise Apprenticeship System" to enhance the frontline workers'skills



■ Group department social activities



■ Regular activities of tennis and football groups

Expanding the Coverage of Beneficiary Groups

Being people-oriented is a core value of CR. In its long-term business development, CR has always prioritized employees' interests. Through its efforts in employee care, CR is committed to enhancing employees' physical and mental well-being, improving organizational efficiency, achieving the company's strategic objectives, and fulfilling the duties and missions of a Hong Kong-based, central state-owned enterprise. CR carried out substantial practices and explorations in caring for employees at Group and business unit levels and accumulated valuable experience.

Launching Multi-Dimensional Caring Activities

Leveraging on employee associations and labor unions, CR launched various employee care activities, including cultural and sport activities, home visits, mutual assistances, birthday team building, festival experience, hobby lessons and external exchanges. In 2024, the Group's labor union actively promoted the implementation of 3,029 projects of "I Do Practical Work for the Public" with a focus on advancing mutual assistance and insurance programs for mainland employees.

The Group's employee associations organized 205 employee activities, covering 6,924 Hong Kong-based employees. The Group Office efficiently managed outpatient services, vaccinations and health checkups, enhanced the service capabilities of the Group's medical facilities and actively expanded access to quality medical resources and maintained good cooperative relationships with over 10 medical institutions in Beijing, Shanghai, and Shenzhen in total.

Covering Care Groups from Different Perspectives

CR identified newly recruited graduates, youngsters from Hong Kong, female employees, remote area cadres and citizens, grassroots frontline employees, science and technology personnel, industry workers, retired employees and employees with difficulties as key targets of caring measures. CR focused on directing organizational resources towards these key groups and extends its care across multiple levels through a comprehensive approach.



CR Beverage advocated the values of "caring, mutual assistance, and grateful growth." It has established an "Employee Mutual Aid Fund" to provide timely assistance and support to employees' families who have suffered from major diseases, accidents, or natural disasters, alleviating their immediate difficulties. By the end of 2024, the Employee Mutual Aid Fund subsidized 218 employee households and distributed more than RMB6,371,000.

On 24 September 2024, the Group's staff association organized nearly 90 young employees from the Group's headquarters, business units and directly affiliated organizations to visit the Hong Kong Auxiliary Police Force Headquarters. During the visit, they gained a better understanding of the daily operations of the auxiliary police and had close interactions with them. This initiative aims to encourage more motivated employees to engage in community service and contribute to the prosperity and stability of Hong Kong.



■ CR held caring activities for scientific and technological professionals



■ The Group's staff association visited the Hong Kong Auxiliary Police Force Headquarters

Providing Professional Assessments and Services Across Multiple Platforms

In 2024, "Runxinfang" obtained the right of trademark registration in Mainland China and Hong Kong, and obtained professional service qualifications both internally and externally. The Group's "Runxinfang Employee Care Service Station" was selected as the piloting station for mental well-being by the Shenzhen Federation of Trade Unions.

Based on past practices, CR has been driving continuous optimization and upgrade of the "Runxinfang" project. By compiling the "CR Employees' Mental Health Assessment Report," it has established hierarchical, categorized, and graded adjustment and intervention plans as well as support programs to address the mental and physical health conditions of their employees. Adhering to the prevention-first, intervention-supplemented approach, CR established a regular mechanism for staged mental status assessments of special groups, with expert teams providing tracking, feedback and problem-solving suggestions. Also, regular follow-up visits would be carried out by the project team.

In addition, CR continued to develop an "all-in-one" online service platform. In July 2024, the "Hong Kong Employee Care Platform" has completed development and launched online, benefiting nearly 2,000 employees in Hong Kong. In 2024, the provision of professional and technical services such as "online mental hotline + on-site consulting + crisis intervention" covered 5,000 individuals.

Establishing a Care Service Network with Multiple Pilots

CR continued to strengthen the professional capabilities of "Runxin Ambassadors" in Hong Kong. By conducting courses and training in national education and enhancing professional skills, it aims to form a CR-characterized care team that deeply understands Mainland China and Hong Kong's close relationship in achieving mutual development and common prosperity, and possesses both professional skills and practical experience. The goal is to cultivate and provide specialized technical talents for each business unit of the Group to effectively carry out employee care programs and social service activities.

In 2024, CR Beer, CR Jiangzhong, CR Sanjiu, CR Building Materials Tech and CR Vanguard were selected to establish a pilot "Runxinfang-Branch" to promote the brand's replication and dissemination within the Group. During the year, 4 new "Runxinfang Employee Care Service Stations" were established, bringing the cumulative number of grassroots employee care service stations to exceed 72, covering 20 business units across 34 cities, continuously expanding and strengthening the employee care and support. These efforts effectively helped employees to relax their minds and bodies, creating a harmonious team atmosphere, fostering team cohesion and enhancing organizational effectiveness.



Runxinfang-Branch of CR Beer Unveiled



Runxinfang-Branch of CR Sanjiu Unveiled

Commitment and Performance

Commitment Made in 2024

We would persist in and strengthen education on the correct view of political performance, carry out in-depth and solid comprehensive evaluation of cadres, consolidate the effectiveness of the tenure system and contract-based management for management team members, intensify efforts to adjust cadres unsuitable for their current positions, and promote the normalization of job rotations, promotions and demotions.

We would deepen our efforts in establishing labor unions and workers'congresses, focus on key areas such as ideological guidance, training and empowerment and platform development to create labor union brands. We would also explore the establishment of a multi-level workers'congress system that is mutually adaptive to enterprise management model, ensures top-down coordination, maintains clear hierarchies and delegates distinct responsibilities.

We would optimize the establishment and planning of the Group's science and technology talent teams and continuously recruit, cultivate and utilize key talents. We would continuously advance the cultivation and reformation of the pilot projects for national engineering doctoral programs, improve recruitment process and enterprise practice for engineering master and doctoral graduates, strengthen joint cultivation and deepen school-enterprise collaboration. We would also provide guidance to business units for establishing and improving the systems for training, leveraging, evaluating and motivating skilled talents.

We would improve the income distribution mechanisms and continue to strengthen the tenure system and contractual rigid assessment and fulfillment and increase the tilt to scientific and technological talents and front-line employees.

Commitment Performed in 2024

First, we strengthened educational guidance, issued standardized conversation guidelines, expanded conversation scope and enriched conversation content. The focus is on enhancing conversations with newly promoted key personnel, ensuring adherence to democratic centralism principles, promoting integrity in business conduct, and fostering the correct view of political performance. Second, we intensified efforts in comprehensive evaluations, designated the establishment and practice of correct view on political performance as important elements of comprehensive evaluations, comprehensively and thoroughly enhancing the understanding and identification of cadres. Third, we facilitated the tenure system and contractual management to achieve greater effectiveness, implemented the requirements of "improving quality and expanding scope", ensuring 100% coverage of corporate management members, with enhanced enforcement of evaluation results. Fourth, we promoted job rotations and cultivated versatile cadres. Directly managed cadres at both the Group and business unit levels carried out exchanges amounting to 17.9%. Fifth, the Group implemented a policy of promotions and demotions. As a result, 24 directly managed Group-level cadres and 199 business unit-level cadres were either forced to resign or had their positions adjusted due to being deemed unsuitable for their current roles.

We strengthened and improved the workers'congress system. The number of grassroots enterprise workers'congress increased from 585 at the beginning of 2022 to 1,193 at present. Throughout the year, over 1,300 workers'congress meetings were conducted across the labor unions of affiliated enterprises. We implemented full disclosures of corporate affairs and fully protected employees' rights to information, participation, expression, and supervision. Enterprises at all levels actively conducted 790 "I Contribute Good Ideas for the Enterprise" rational suggestion activities, effectively enhancing employee democratic participation.

CR strived to create opportunities and provided support for talent development, focusing on multi-pointed breakthroughs of talent development at higher-level and broader domains. We conducted the eighth training session of senior management, completed the interim review of the "14th Five-Year" talent strategy, and optimized strategic talent planning. We adopted multiple measures to bring in over 100 new high-level scientific and technological talents. 1 national talent has been successfully recruited and appointed as the chief scientist of relevant subsidiaries. We deepened the training programs for master's and doctoral degree engineers and formulated the "Management Measures for the Training of Master's and Doctoral Degree Engineers," and collaborated with training institutions to complete recruitment tasks and on-the-job practices within enterprises. This strengthened school-enterprise collaborations and promoted industry-education integration. We also fully promoted and implemented the "The Skilled Talent Team Building Work Guidelines of CR", ensuring promotion and standardization of cultivating, utilizing, evaluating and motivating skilled talents. Additionally, we evaluated and selected 54 outstanding craftsmen in the Group.

We established proper income distribution guidelines, improved work plans and compensation and welfare management systems, and promoted the smooth implementation of the new salary management reforms. We strictly implemented annual performance bonuses and strategic incentives. By actively increasing accountability and enforcing strict measures, income can be adjusted to increase or decrease as appropriate. We facilitated incentives and resources to be in favor of science, technology and innovation. In 2024, the individual support we provided to the total salary for technological innovation businesses in 12 units including CR Micro, CR Building Materials Tech, CR Double-Crane and CR Chem-Mat increased by 10% compared to the previous year.

Commitment Made in 2025

We will coordinate and plan for advancing the selection, training, management, and employment of cadres, strengthen tiered establishment, and motivate cadres to take on responsibilities.

We will adhere to the primary focus of serving the workers, continuously refine the enterprise democratic management system, proactively strengthen foundational quality and optimize union organization systems and operational mechanisms, explore methods to enhance unions'capacity in fulfilling responsibilities and improve the quality and effectiveness of unions'work.

We will adhere to the spirit of training senior management, further deepen the three systems reform, and enhance talent development systems to unleash innovation and creativity among talents.

We will focus on introducing and training key talent groups and strengthening the development of science and technology talents, particularly in creating talent teams for new strategic industries and skilled individuals.

Customer Responsibility

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Story 3

Story of Responsibility



Chai Xiuwei Professional Director of the Medical Market Development Department at CR Pharmaceutical Commercial Group Co., Ltd. (Central and West Regions)

Dual-Pronged Medicine Accessibility Improvement: Upholding Life as Paramount

Dual-Pronged Medicine Accessibility Improvement: Upholding Life as Paramount



Customer Responsibility



Huo Peiqiong General Manager of CR Pharmaceutical Commercial Group Co., Ltd (South China Region)

Scan the QR code for the vlog of Quick Access to Medical Services



By late May, Zhengzhou had already ushered in "sauna-like weather". Despite the sweltering heat, Chai Xiuwei, the professional director of the Medical Market Development Department at CR Henan Pharma Comm (Central and West Regions), made frequent field visits to primary healthcare institutions across the province. Such grassroots research was a routine task for Chai Xiuwei, and in his notebook he meticulously recorded every issue he encountered during these grassroots inspections.

For the past year, he has been working tirelessly for the integrated distribution and supervision service of "centralized procurement of drugs", aiming to effectively address issues such as the limited variety of drugs purchased and used by grassroots medical institutions. The goal is to ensure that high-quality and cost-effective centrally procured drugs are more accessible to grassroots.

In 2024, the Henan Provincial Government incorporated the "Drug Centralized Procurement at Grassroots" initiative into a micro-reform measure aimed at promptly addressing the "last mile" issue in public services. To achieve this, CR Pharma Comm has collaborated with local healthcare insurance authorities to actively advance an integrated regulatory and distribution service for centralized procurement drugs, thereby resolving challenges such as limited variety and difficulties in delivery faced by grassroots medical institutions. At present, more than 20,000 village health offices across the province have achieved centralized drug procurement coverage. Among these, Luoyang and Anyang have exceeded 95% coverage rates, truly realizing that "minor illnesses can be treated in villages, and common ailments at township hospitals".

- Currently, over **20,000** village health offices across the province have achieved centralized drug procurement coverage
- Among which, coverage rate has exceeded **95 %** in Luoyang and Anyang

"Minor illnesses can be treated in villages, and common ailments at township hospitals"

At 9 a.m., elderly people came out from the health center of Mashangxiang, Neihuang County, with medicine. Li Quanbo, deputy director of the health center of Mashangxiang expressed his concern, "Now, ordinary people no longer need to go to the county to buy medicine. They can buy cheap and safe centrally procured medications at the township hospitals or village health offices".

In the past, difficulty in accessing drugs and their high cost were significant challenges for grassroots patients, particularly for those with chronic conditions. Since 2019, the state has implemented a trial period for centralized procurement and use of medicines. While these centrally procured drugs are affordable, they have faced supply shortages, especially in rural areas where access was limited, forcing patients to travel to larger hospitals for prescriptions.

With the development of centralized drug procurement in the grassroots, not only have prices become cheaper, but also the



speed at which people can obtain drugs has become faster, and there is no need to go to hospitals above the county level to get drugs. This improvement is attributed to the independently developed online centralized drug procurement software "Runyaotong" APP channel by CR Pharma Comm. Now, CR Pharma Comm has successfully integrated its supply chain through a digital platform and has installed advanced cold chain equipment in remote village health centers, ensuring that medicinal supplies are consistently available and punctual. It is also worth mentioning that, with the support of the technical department, we have successfully connected the HIS systems of medical institutions to the digital platform, breaking down the "data silos", enabling the local health committee and medical insurance bureau to monitor procurement data in real time. This not only ensures the safety of drug use but also provides a solid basis for policy optimization.

In the process of promoting the centralized procurement of drugs to rural areas, CR Pharma Comm has provided services such as pharmacy transformation and cold storage construction for health centers in townships and towns and village health offices. The company also collaborates with experts from top-tier hospitals to conduct training sessions in rural areas. Specifically, hypertension prevention training has benefited over a thousand grassroots doctors.

Chai Xiuwei often says, "minor details determine how well we execute our tasks", emphasizing the importance of responsibility.

Focusing on rare diseases to inspire hope for life

In addition to bridging the last mile for the centralized procurement of drugs for the benefit of grassroots, in the diagnosis and treatment of rare diseases, which is a much-needed field, CR Guangdong Pharma Comm (South China Region) has brightened the light of life for many patients with rare diseases with its professional commitment and innovative practices.

Long before 2018, CR Guangdong Pharm Comm (South China Region) had begun to pay attention to the rare diseases group. The general manager, Huo Peiqiong, was personally involved in research on drug and supply policy issues. After the National Health Commission issued the first batch of 121 rare diseases list in June 2018, CR Guangdong Pharm Comm acted swiftly, initiating a systematic layout of initiatives in rare diseases.

Difficulty of diagnosis is a major challenge faced by patients with rare diseases. CR Guangdong Pharm Comm cooperated with the Department of Genetics of the First Affiliated Hospital of Sun Yat-

Sen University on 9 May 2020, to establish a multidisciplinary diagnosis and treatment (MDT) outpatient clinic for rare genetic diseases. A tripartite integrated diagnosis and treatment model of "clinical diagnosis + genetic testing + drug distribution" has been established. Led by the First Affiliated Hospital of Sun Yat-Sen University, the Group has set up 10 sentinel hospitals in Guangdong Province and established an online remote consultation system.

Every Thursday afternoon, expert teams from six disciplines at the First Affiliated Hospital of Sun Yat-Sen University conduct comprehensive reviews of collected medical records, standardizing the diagnosis and treatment processes down to the grassroots level, significantly improving diagnostic accuracy. In Huo Peiqiong's memory, she was reminded of an infant with uncoordinated limbs in Zhanjiang. "The baby had just been born and the doctors in Zhanjiang were unable to determine the cause. Through the platform we built, an appointment was made with Professor Liang Xiulin at the hospital for an initial diagnosis, which revealed that it is a rare neurological condition. The patient was promptly referred from Zhanjiang to Guangzhou and received timely treatment."

With the support of medical insurance reimbursement, the child continued to take medication. The child, now over 4 years old, is nearly like an ordinary child in life. "Without the system, this child's disease would likely have been delayed", Huo Peiqiong exclaimed.

Accessibility to the medication is another significant challenge. Currently, CR Guangdong Pharm Comm has established an "air pharmacy", equipped with 269 types of drugs, covering 58 types of rare diseases. With the help of the "Medical Imports from Hong Kong and Macau" policy, 6 new drugs for rare diseases that are not listed in Mainland China have been introduced, such as drugs for prevention of neonatal RH hemolytic disease and drugs for

treatment of infantile spasm, enabling patients to access these international new drugs at designated hospitals. In order to address the medication access challenges of grassroots, CR Guangdong Pharm Comm (South China Region) has replicated the collaborative network model from Guangdong in Guangxi and Hainan. In collaboration with the First Affiliated Hospital of Sun Yat-Sen University, the "Health Express" has been launched, equipped with diagnostic instruments and a one-stop diagnostic platform. This mobile unit operates in Guizhou and other provinces, delivering medical services and medications directly to grassroots communities.

During the payment process, CR Guangdong Pharm Comm promoted the integration of innovative payment and commercial insurance. The city insurance schemes like "Suisuikang" have a reimbursement ratio for rare disease drugs reaching between 30% and 90%. Additionally, it has implemented measures such as charity assistance and fee reductions in collaboration with pharmaceutical companies. With the "Dual-Channel" qualification, the Teck Soon Hong pharmacy of the company enables patients to obtain medicine close to home, and the pharmacist team provides medication management and patient education, creating a "caring home" to carry out family care.

Huo Peiqiong expressed that in the future, CR Guangdong Pharma Comm will continue to promote the establishment of a priority assessment channel for rare disease drugs by the country, strengthen the training of grassroots doctors, and apply new technologies such as AI. The company aims to advance towards the goal of "having doctors for disease, obtaining medication from doctors, and providing insurance for medication", bringing hope to over 20 million rare disease patients.



Concept and Vision

Based on its strategy of “improving the people’s livelihood and developing the pillars of a great power”, CR has always focused on addressing challenges in people’s livelihood by continuously optimizing its product structure, cultivating brand products, and enhancing its quality management system. It continues to meet the people’s aspiration for a better life through innovative service scene development, high-quality service provision, and experience upgrades. In the process of serving the national strategy, we fully utilized our strengths to vigorously promote technological innovation and continuously enhance our digital intelligence management level, aiming to become a world-class enterprise trusted and beloved by the public.

SDGs responses



HKEX ESG indicators covered in this chapter: B6.2, B6.4, B6.5

The Group’s overall R&D investment in 2024 was RMB

8.36 billion



2.53 times

since “13th Five-Year Plan”



CAGR of “14th Five-Year Plan” was

26.3 %



R&D investment intensity was

0.90 %



Increased by

0.42 %

compared to the end of “13th Five-Year Plan”



Patents and patent applications

reached 21,294



Customer Satisfaction Rate

		2022	2023	2024
CR Beverage	%	89	90	89
CR Ng Fung	%	100	100	100
CR Power (electricity sales)	%	94.1	88.9	90.4
CR Gas	score	95.66	96.43	96.62
CR Building Materials Tech	%	97.6	98.2	98.2
CR Longdation	%	93.6	95.6	95.8
CR Pharmaceutical	%	100	90	100
CR Pharma Comm	%	99	99.41	99.56
CR Sanjiu	%	100	100	100
CR Jiangzhong	%	100	100	100
CR Bank	%	99.71	99.57	99.47
CR Micro	%	FBG: 93.25	FBG: 93.26	FBG: 92.99
		PDBG: 93	PDBG: 92.64	PDBG: 93.3
		ICB: 91.84	ICBG: 92.62	ICBG: 92.57
		ATBG: 90	ATBG: 92	ATBG: 93
CR Chem-Mat	%	94.6	95.1	95.9

Customer Complaint Resolution Rate

		2022	2023	2024
CR Beer	%	96	97	97.5
CR Vanguard	%	99.4	99.8	99.9
CR Beverage	%	100	100	100
CR Ng Fung	%	100	100	100
CR Gas	%	100	100	100
CR Pharmaceutical	%	100	100	100
CR Pharma Comm	%	100	100	100
CR Sanjiu	%	100	100	100
CR Jiangzhong	%	100	100	100
CR Land Residential Area	%	99.76	98.7	97.5
CR Building Materials Tech	%	100	100	100
CR Longdation	%	100	100	100
CR Micro	%	100	100	100
CR Chem-Mat	%	100	100	100

Product Qualification Rate

		2022	2023	2024
CR Beverage (ready-for-delivery products)	%	100	100	100
CR Ng Fung (ready-for-delivery products)	%	100	100	100
CR Gas (PERCEN) (ready-for-delivery products)	%	100	100	100
CR Building Materials Tech	%	100	100	100
CR Sanjiu (Drug sampling pass rate)	%	99.9	100	100
CR Jiangzhong (Product and service pass rate)	%	100	100	100
CR Micro	%	6 inches: 99.57	6 inches: 99.56	6 inches: 99.62
		8A: 99.60	8A: 99.69	8A: 99.71
		8B: 99.32	8B: 99.32	8B: 99.48
		6C: 99.93	6C: 99.89	6C: 99.78
		T1: 99.94	T1: 99.94	A3: 99.86
		T2: 99.80	T2: 99.86	12A: 99.78
		A3: 99.84	A3: 99.85	A1: 99.88

Focusing on "People's Livelihoods" and "the Pillars of a Great Power" to Forge Trustworthy Premium Products and Services

The Group has always regarded the provision of public services and basic supply as an important embodiment of fulfilling the core mission of the central state-owned enterprises. It has fully utilized its own resources advantages, continuously enhanced the accessibility of products and services, and strived to address the urgent demands of the people in areas such as housing, medical care, and aging support. We strived to ensure stable supply and safe operation of public services, including necessities for people's livelihood, and utility services like medical supplies, electricity, and gas. We continuously improved the quality of our products and services, fulfilling our responsibilities as red central enterprises and central enterprises focused on people's livelihood. This allowed us to achieve a harmonious balance between economic value, political mission, and social benefit, further demonstrating the crucial role of state-owned enterprises in supporting national strategies.

Ensuring Supply

As an important force for ensuring people's livelihood security, with its mission of responsibility as its core, CR made tremendous efforts to ensure the stable supply of essential energy resources like electricity and gas without compromising on cost or conditions. At the same time, leveraging the strengths of its health care sector, it ensured unimpeded access to medical supplies and treatment services, making outstanding contributions in safeguarding public health and maintaining social stability during challenging times.

In terms of energy supply security, CR Power steadfastly fulfils its primary responsibilities in response to dual challenges—fluctuating fuel prices and tight electricity supply-demand conditions. The company ensures a safe and stable supply of coal and other fuels. Particularly during peak summer periods, they actively address severe tests posed by high temperatures, humidity, and load demands, guaranteeing that power units operate at full capacity when possible. This maximizes generation efficiency and reinforces a secure foundation for domestic electricity use. CR Gas has established a comprehensive natural gas value chain, encompassing production, transportation, storage, and sales, and has executed the entire process from market development to customer acquisition, procurement of gas storage sources, injection scheduling, production planning, and settlement operations. The company has also initiated gas storage leasing services, securing a capacity exceeding 60 million cubic meters, while implementing the "summer injection and winter harvesting" strategy to ensure robust peak-shaving support for the 2024-2025 heating season. Additionally, the company has diversified its gas supply channels by importing over 90 million cubic meters of liquefied natural gas (LNG), thereby strengthening its storage-based peak management and emergency response capabilities.

For health supply assurance, CR Sanjiu established a drug warehouse network planning auxiliary decision-making system. By leveraging algorithms, the system develops and calculates scientific and reasonable warehouse network layout recommendations in real time, enhancing the efficiency of drug delivery. The company continues to refine its emergency logistics operation response system for unexpected events, enabling timely countermeasures to address emergencies effectively.

Wutong gate station of CR Gas Huaibei Branch was officially put into operation, providing a more stable and safe gas consumption environment for more than 500,000 residential users and more than 2,000 industrial and commercial users in Huaibei City.



To ensure the successful completion of the maintenance at Chongqing Qineng Electricity & Aluminum Co., Ltd.'s power plant no.2 for the supply security of the peak load period in summer, the maintenance team conducted inspections on the high-pressure main steam valve body within the turbine.



Ensuring People's Livelihood

In terms of the Consumer Products Segment, CR Beverage actively responded to the extreme floods in Pingjiang County by promptly launching its "Rapid Disaster Response Mechanism for Public Welfare", and coordinated with local distributors to deliver over 69,000 bottles of drinking water to aid the affected area. The assistance covered many severely affected areas, such as Hunan Province's Huarong, Changsha, and Pingjiang, and Guizhou Province's Zhenyuan, providing the affected people with timely and safe drinking water. By bridging the Xinjiang agricultural products with the national market through the "Agricultural Supermarket Connection" model, CR Vanguard visited the agricultural fields in Xinjiang and set up live broadcast equipment to closely demonstrate the picking and planting process of agricultural products, helping high-quality agricultural products such as prunes, grapes, walnuts, and pistachios enter deeply into the market.

In terms of the Healthcare Segment, CR Double-Crane acquired a 100% equity interest in CR Zizhu in 2024, successfully entering the women's health sector and further enriching its product portfolio of women's health drugs and equipment. In 2024, the revenue of Levonorgestrel Tablets of women's health products increased by 31%. Fukuang General Hospital of CR Healthcare introduced the city's first neurosurgical robot. Tiemei General Hospital and Pingkuang General Hospital performed the first robot-assisted surgeries in Liaobei Province, facilitating surgical techniques to be digitized, intelligent, precise, and minimally invasive.

In terms of the Urban Construction and Operation Segment, CR Land Youtha upheld the "People's City" philosophy by continuously addressing the diverse and multifaceted housing needs of the public, ensuring that migrant populations can enter, settle, live comfortably, and achieve career success.



The CR Land Youtha Apartment Community, in collaboration with the People's Government of Maqiao Town, established functional departments such as the Community Affairs Service Center and Community Health Service Center to provide services including medical insurance consultations, family doctor promotions and legal consultations, sending heartfelt care to residents.

In August 2023 and May 2024, CR Vanguard conducted on-site livestreaming at its production bases in Kashgar, Xinjiang and Maoming, Guangdong. The Kashgar livestream achieved 5 million exposures and a total view of 1.2 million in five days. In May 2024, CR Vanguard partnered with China Post to launch a special livestreaming event in western Guangdong, enabling consumers to gain better, faster and more convenient access to quality agricultural products.



Unleashing Value of "the Pillars of a Great Power" as National Leader

The Group has made significant strides toward "new" developments and built-up momentum to create an everlasting foundation. It strived to become a leader in self-reliant, self-empowering science and technology innovations and take new steps forward, achieving breakthroughs in the critical core technologies of major scientific and technological initiatives. The Group organized the Second Science and Technology Conference, completed a "full coverage" special survey in technological innovation, and established a "One enterprise, One policy" innovation management system with CR characteristics. It was planned that new strategic industries would become a new track of leading development.

CR's Healthcare Segment

CR's Healthcare Segment adhered to the concept of innovation-driven and continuously expanded new treatment areas. It actively engaged in global collaborations, while focusing on the medication needs of special groups such as children, and endeavoured to provide quality and economical medical products and services to patients.

Innovating Breakthroughs to Expand Treatment Areas

In June 2024, the phase III clinical study (RAISE Study) results of Retaplast (a recombinant human tissue-type plasminogen kinase derivative for injection) developed by CR Biopharmaceutical, a subsidiary of CR Pharmaceutical, was published in the New England Journal of Medicine, a top international medical journal. The study confirmed that Retaplast has a better efficacy than alteplase in treating Acute Ischemic Stroke (AIS) with controllable safety, marking a significant breakthrough in AIS treatment and offering better options for patients with cardiovascular and cerebrovascular diseases.

Planning for Global Presence to Enable Accessible Well-Being

CR Sanjiu actively expanded its international market presence and established partnerships with countries such as the Czech Republic, Singapore, Canada, Mexico, Saudi Arabia. In September 2024, it successfully launched cefaclor pentahydrate and ceftazidime formulations in Japan. In Africa, the company strengthened its supply of antimalarial drugs by establishing production bases, enhancing sales networks, and collaborating with local governments and international organizations (e.g., WHO and Global Fund), contributing to global public health initiatives.



In October 2024, KPC took a group photo with participants of a workshop on malaria control in French-speaking African countries.

Focusing on Children's Healthcare and Protecting their Future Growth

Focusing on paediatric medication safety, CR Double-Crane launched an improved new drug, Mercaptopurine Tablets (II) (microtablet formulation) for treating Paediatric Leukaemia in January 2025, filling the gap in the domestic market of paediatric medication. Additionally, in July 2024, Binhu Double-Crane collaborated with Hubei Maternal and Child Health Hospital to conduct the "Safety Study of Basic Infusion in Paediatric Populations", providing scientific evidence for safe clinical medication use in children.

CR's Technology and Emerging Industries Segment

In terms of maintaining technological self-reliance and improving product quality, CR Micro focused on breakthroughs in core technologies, accelerated the expansion of application markets and built a "moat" for independent innovation. Led by high-potential applications such as automobile electronics and industrial control, the company promoted process technique innovations and product generational upgrades, vigorously improving R&D quality and efficiency, effectively transforming scientific and technological achievements and achieving breakthroughs in multiple key core technologies.

In June 2024, CR Micro received the second prize of the 2023 National Science and Technology Progress Award from the State Council for the project "Key Technologies and Applications of Power MOS and High-Voltage Integrated Chips". Supported by the national major key projects, this project achieved groundbreaking results through industry-academia-research collaborations. It established a new theory of charge balance for power MOS devices, overcame technical bottlenecks in high-voltage integration, and successfully developed three globally advanced power semiconductor mass-production process platforms, providing chip manufacturing services to over 200 enterprises around the world. This significantly enhanced the international competitiveness of China's high-end power chips.



CR Micro received the National Science and Technology Progress Award in 2024

CR Double-Crane is committed to conveying care to patients and the public. Diabetic foot ulcers, as a common and challenging complication among diabetes patients, have a high incidence rate and are extremely difficult to treat, significantly impacting patients' quality of life. CR Double-Crane successfully introduced the world's first Class 1.1 new natural drug—Fespixon, which can subtly reshape the wound microenvironment, balance the activity of macrophages M1/M2, and effectively accelerate ulcer healing. The introduction of Fespixon not only filled the gap in the field of the treatment of diabetic foot ulcers in China but also gained international recognition. As the exclusive sales agent, CR Double-Crane enhances the accessibility of Fespixon, enabling more patients to benefit from them and regain confidence and hope in life.



The Signing Ceremony of the Fespixon Project of CR Double-Crane

Some of the innovations of CR Micro

- The first-generation new ferroelectric storage VFRAM completed the R&D of embedded low-power IP and process, established a process platform, achieved technological innovation, and realized product mass production, breaking the domestic market monopoly held by international companies.
- Applying heterogeneous integration technology, the production of a demo of MEMS microphone device with three-layer structure has been achieved. The maximum SNR test performance exceeds 70 dB, reaching world-class product standards.
- The integrated circuit LX100 secure MCU chip products have passed the security review of the Commercial Cryptography Testing Center of the State Cryptography Administration and obtained the "Commercial Cryptography Product Certification Certificate" issued by the Commercial Cryptography Testing Center of the State Cryptography Administration.
- The construction of the company's 8-inch medium voltage (100-200V) enhanced P-GaN process platform has been completed, and the preparation of the first 150V/36A enhanced device sample was completed, which filled the gap in the company's relevant technology/product areas.
- The construction of the TOLT top heat dissipation advanced packaging platform was completed, with the first production line successfully built, filling the technological gap in advanced packaging technology at CR Run'an Power Base.

Building an Excellence-Driven Quality Management System to Forge New Competitive Edges

The Group actively created the "1+N" quality management model. "1" means that the Group headquarters determines quality policies and goals, carries out quality risk classification and hierarchical management and control, implements national quality special deployments, establishes quality management incentive mechanisms, implements quantitative indicator evaluations, and provides real-time images of the quality management status of enterprises at all levels. "N" refers to the second-level units applying advanced quality management methods such as total quality management, performance excellence, lean management, and Six Sigma management, carrying out mass quality activities such as rational suggestions, QC groups and on-site management, and establishing an industry-leading, distinctive and effective quality management system to form the competitive quality advantage of CR's products and services.

Business units continued to improve the construction of high-standard quality management systems

		Quality management policies and systems	2024 Quality management performance
Consumer products	CR Beer	A quality and food safety management system with Snow Breweries' characteristics (referred to as SnowMS-QFS system) has been established. Based on the 24 elements of the SnowMS-QFS system and combined with Snow Breweries' quality management requirements, a unified system maturity evaluation model has been established. We strengthened the quality and food safety management system through audits, pre-trial assistance, supervision and certification audits.	In 2024, CR Snow Breweries relied on this system to pass a total of 89 international system certifications such as FSSC22000, ISO, and HACCP.
	CR Beverage	Strictly implemented food safety management during the production process in strict accordance with ISO and FSSC22000 system standards and adhered to the bottom line of food safety.	In 2024, one year after it was officially put into production, all factories of CR Beverage passed FSSC22000/ISO22000 system certification.
	CR Ng Fung	The company implemented the "Three-Year Action Plan for Quality of CR Ng Fung" Initiative, improves the quality and food safety management system, integrates and optimizes 21 quality and food safety management systems, and forms a "1+6+1" system to promote greater clarity and specificity in the requirements for quality control. In accordance with the requirements of the "Guidelines for Grading Management of Quality and Food Safety Risks of CR Ng Fung" and the "Management Measures for Entrusted Processing Quality and Food Safety of CR Ng Fung", and the results of the annual quality management system audit, the company advances the implementation of a risk-based multi-level management system. The company actively pursues external certifications and receives professional evaluations by external institutions to enhance the standardization, scientification and professionalism of grassroots units' quality safety management.	14 subsidiaries passed a total of 33 international system certifications such as ISO22000, ISO9001, HACCP, FSSC21998, FSSC21999, FSSC22000, GAP, Green Food and Organic Food.
Integrated energy	CR Power	In purchasing decisions, we gave priority to suppliers with strong environmental protection and strong social responsibility and required suppliers to sign the CR Power EHS Management Agreement to ensure the green development of the supply chain.	To give priority to suppliers with strong environmental protection and social responsibility, suppliers are required to sign an EHS management agreement. In 2024, the company's suppliers had achieved 100% certification rates for quality, environment and occupational health and safety management systems.

		Quality management policies and systems	Quality management performance
Integrated energy	CR Gas	Strictly abided by relevant laws and regulations such as the "Environmental Protection Law of the People's Republic of China", "the Environmental Impact Assessment Law of the People's Republic of China", "the Regulations on the Administration of Construction Project Environmental Protection", and the "Classified Administration Catalogue of Environmental Impact Assessments for Construction Projects", and formulated and continuously updated the "Work Plan of CR Gas for Comprehensive Environmental Protection", "Management Measures for Energy Conservation and Emission Reduction", and "Management Standards for the Use of Water, Electricity and Oil"; established and improved the environmental management system and actively promoted the ISO 14001 certification of the environmental management system.	100% of suppliers were certified for quality, environment and occupational health and safety management systems.
Urban construction and operation	CR Land	Established a comprehensive quality management system, and formulated and issued hundreds of internal product quality management policies such as the "Regulations for CR Land Quality Management System Construction"; it has actively carried out ISO9001 quality system certification, and both the headquarters and all regions have fully completed the ISO9001 quality system certification, and reviewed according to annual declaration to ensure the validity and continuity of certification.	The headquarters and branches in all regions have fully completed the certification of ISO9001 quality management system. In 2024, the number of participants of quality-related internal and external training at all levels of the company reached 114,186 with 208,800 training hours, achieving full coverage.
	CR Building Materials Technology	In strict accordance with the "Product Quality Law of the People's Republic of China", the "Basic Building Materials Production Process Management Measures of CR Building Materials Technology Holdings Co., Ltd." and "Grinding Aid (Combustion) Agent Management Specifications of CR Building Materials Technology Holdings Co., Ltd." were formulated, covering raw materials, coal, raw materials and clinker and other quality standards; independently developed intelligent quality management system.	In 2024, all affiliated cement production bases and artificial stone production bases of CR Building Materials Technology have passed ISO 9001:2015 quality management system certification.
Healthcare	CR Pharmaceutica	Adhered to the "Drug Administration Law", "Good Manufacturing Practice for Drugs (2010 Revision)", "Good Supply Practice of Pharmaceutical Products" and other laws and regulations, established a quality management system in line with national standards, formulated "Work Manual for Quality Due Diligence Standards of Biological Products Enterprises (Trial)", "Work Manual for Quality Audit Standards of Blood Product Manufacturers" and "Work Manual for Quality Management Standards of Drug Research and Development", etc., and strengthened product quality control and quality training and guidance to suppliers, so that it can achieve a quality management that covers the whole life-cycle of raw material acquisition, product research and development, registration, testing and production, etc.	150 product quality standard systems (such as HACCP, ISO 9001, ISO 10002) Certifications have been obtained.
	CR Pharma Comm	In 2024, two systems, namely "Guidelines for the Management of Chinese Medicine Operation Quality of CR Pharmaceutical Commercial Group Co., Ltd." and "Guidelines for the Management of Chinese Herbal Medicine Operation of CR Pharmaceutical Commercial Group Co., Ltd." have been newly added, and the "Quality Management Measures for the Wholesale Sale of Medical Devices of CR Pharmaceutical Commercial Group Co., Ltd" has been revised.	As of the end of 2024, a total of 46 companies has passed occupational health and safety system certification (ISO 45001).
	CR Sanjiu	The "CR Sanjiu Implementation Plan for Continuously Improving the Special Work of Entrusted Production Quality Management" has been formulated to further improve the quality management system and the entrusted production quality system, promoting the construction of quality management system (QMS) and laboratory information management system (LIMS) projects.	In 2024, a total of 24 enterprises passed the quality-related standard system certification, 7 manufacturers obtained ISO 9001 certification, successfully passed 136 on-site inspections by the drug regulatory departments, with a pass rate of 100% for drug sampling. The coverage rate for quality system-related training for all current employees is 100%, and the training coverage rate for suppliers under the quality system is also 100%.
	CR Double-Crane	Systems such as the "Quality Risk Management Guidelines", "Product Sampling Inspection and Information Transmission Management Guidelines", "Quality Emergency Contingency Plan", "Drug Recall Management Guidelines" and "Quality Improvement and Enhancement Management Guidelines" have been established.	In 2024, the satisfaction rate of the company complaint handling is 100%; the passing rate of market sampling is 100%; the passing rate of external inspection is 100%; the adverse reaction collection and reporting rate is 100%; and 8 CNAS accredited qualification units in total.

		Quality management policies and systems	Quality management performance
Healthcare	CR Jiangzhong	The company integrated the quality management system into the entire process of product manufacturing and service, implemented a production management model that combined "Good Manufacturing Practice for Drugs (GMP)" management and "five systems" management, and adhered to the principle of "determining production based on sales and maintaining dynamic balance". The company strictly controlled quality and optimized inventory, and firmly established the concept of sustainable development that puts product quality first, technological innovation second, and green environmental protection as a foundation.	As of the end of 2024, three production enterprises have passed the ISO9001 quality management system certification, and one has passed the HACCP certification. In 2024, the company accepted 33 inspections by regulatory departments, of which 100% passed; accepted external sampling of 348 batches, of which 100% qualified; and had a customer complaint handling rate of 100%.
	CR Healthcare	The "Quality and Safety Management System Construction System of CR Healthcare Co., Ltd.", "Management Measures for Quality and Safety Supervision and Inspection of CR Healthcare Co., Ltd.", "Management Measures for Quality and Safety Monitoring of China Resources Medical Holdings Company Limited ", "Implementation Rules for Annual Assessment of Quality and Safety Management of China Resources Medical Holdings Company Limited", "Implementation Rules for Quality and Safety Incident Management of China Resources Medical Holdings Company Limited" and other management regulations have been published.	CR Healthcare has established the "CR Healthcare Medical Quality and Safety Management System" based on the guidelines for international medical quality management standards such as ISO and JCI, as well as national medical industry regulations and evaluation standards. In 2024, each subsidiary of CR Healthcare received a total of 42 EHSQ-relevant awards, including 30 at the national level and 12 at the provincial level.
Technology and emerging industries	CR Micro	Information security, environmental health and safety, energy, environmental substances and other factors have been incorporated into the scope of quality management to establish a quality management system in accordance with ISO9001, IATF16949 and QC080000 standards. At the same time, the company fully paid attention to and implemented the RoHS Directive, REACH regulations and other laws, regulations, standards and customer needs related to environmental substances, and built a complete environmental substance management system in the entire process of product production such as procurement, manufacturing and warehousing.	In 2024, the company implemented the entire process and life cycle management of product quality to continuously strive for zero defects. It has won the Wuxi City Mayor Quality Award "Standard Prize" and has successfully passed 732 customer reviews. It has obtained the ISO 26262 functional safety management system ASIL D certificate.
	CR Chem-Mat	Established and improved the quality management system, compiled a quality management manual, and established a quality improvement team; compiled product monitoring and measurement control procedures and product withdrawal control procedures, monitored and measured product characteristics, and identified and controlled substandard and potentially unsafe products. Controlled and standardized product quality management; used ISO 9001 system elements as the main line to organize and divide quality and safety responsibilities to ensure full coverage of system elements; entrusted a third-party authoritative monitoring agency to conduct annual monitoring every year to confirm that products comply with Chinese national standards and the US FDA Standard requirements.	In 2024, the company's ISO 9001 system certification coverage reached 100%, and the qualification rate of PET products reached 99.64%. The company encouraged departments at all levels to actively participate in the central enterprise quality management knowledge competition, with a total of 3,395 participants. The company did not encounter any major safety and quality liability incidents related to its products and services.
	CR Enterprise	CR Enterprise adheres to the customer-centered concept and is committed to building a trustworthy and prosperous relationship with customers. The company strictly complies with national regulations and industry standards, builds a high-quality and efficient product and service quality system, establishes a whole industrial chain quality internal control system, and realizes the full coverage of self-owned product quality control. The company actively improves the after-sales handling mechanism of products, optimizes the recall process of defective products, and safeguards product quality and customers' rights and interests with a strict attitude.	100% of our core suppliers have passed the certifications of quality, environment and occupational health and safety systems. The company developed the world's first super miniature intelligent real-time fluorescence qPCR rapid detector based on MEMS technology. It has completed the equipment development and has successfully passed the NMPA (National Medical Products Administration) national standard recognition.
	CR Longdation	Chinese Arts & Crafts has always adhered to the concept of "quality first," and relied on a professional quality control system to build a strong foundation of consumer trust. Since its establishment in 2009, its subsidiary, CAC (Hong Kong) Gems Laboratory Limited, has become one of the 9 laboratories accredited by the Hong Kong government with the international accreditation of HOKLAS and ISO 17025, setting an industry benchmark for services such as jade identification. All jewelry and jade products are required to pass the full process of the laboratory's strict testing. In 2024, a total of 5,424 jewelry and craftsmanship products were tested. The number of unqualified goods was 96, with a failure rate of 1.77%. Unqualified products are returned according to the standard process to ensure that the product quality meets standards and protects consumers' rights and interests. With its dual path of green operation and service upgrade, Hotel Kapok Xiaojing Bay is honored to be awarded the Hong Kong BEAM Plus Existing Building "Green+" Double Certification in 2024.	In 2024, Chinese Arts & Crafts has completed a total of 5,424 jewelry and craftsmanship tests, representing 96 unqualified pieces with a failure rate of 1.77%. In 2024, it was awarded the Hong Kong BEAM Plus Existing Building "Green+" Double Certification.

Advancing Sustainable Consumption for Green Development

The Group has deeply integrated ESG principles into its business strategy. Through initiatives such as innovative products and services, optimizing the supply chain system, and encouraging a green lifestyle, the Group has promoted energy conservation and emission reductions across the entire value chain, actively responding to the national "dual carbon" goals.



■ CR C'estbon exhibited a "bench made of 8,000 plastic bottle caps" at the event in Shenzhen OCT Ecological Square



■ From 2 to 3 November 2024, the business division of CR Vanguard's Boutique Supermarket participated in the "International Mangroves Rendezvous," an international zero-carbon event organized by Shenzhen Municipal Planning and Natural Resources Bureau.

In the Consumer Products Segment, CR Vanguard has launched the "Food Protection Plan" while ensuring food safety, focusing on food nutrition, promoting a healthy eating lifestyle, realizing reasonable and selective food consumption, enhancing societal awareness of rational consumption, and advocating responsible consumption principles. A new upgrade of the "C'estbon Baby Remodeling Program" by CR Beverage has been launched to showcase the recycling process of plastic bottles to the public, thereby enhancing consumers' understanding and awareness of a sustainable green recycled low-carbon lifestyle.

CR Beer advocated responsible drinking and cooperated with the China Alcoholic Drinks Association for 10 consecutive years. As a member of the China Alcoholic Drinks Association and Social Responsibility Promotion Working Committee (China SAO), the company regularly organizes activities such as the "National Responsible Drinking Awareness Week" every year to educate the entire industry and promote the concept of "drink in moderation and live happily" throughout society. "Heineken®" beer invested approximately 10% of its media expenses every year on the promotion of responsible drinking. In 2024, the company promoted the "Heineken 0.0" beer to consumers, with an annual trial consumption of 120,000 liters to promote the culture of healthy drinking.

On the basis of carrying out research on ultra-low emission technology, CR Building Materials Tech has gradually promoted the implementation of ultra-low emission technology upgrades. Through repeated research on the denitration of cement kiln flue gas project, the company identified issues with the traditional "high-temperature and high/medium-dust SCR denitrification" method, which includes catalyst poisoning, blockage, and shortened lifespan. After extensive exploration and verification, the implementation of the ultra-low emission transformation project significantly improved gas collection rates and waste gas treatment efficiency across all production bases. This led to substantial reductions in fugitive waste gas concentration. The concentration of pollutants in the ambient air has been effectively reduced, with nitrogen oxide emissions controlled below 50 mg/m³, while particulate matter emissions are limited to less than 10 mg/m³.

CR Chem-Mat promoted the application of domestic rPET products in food packaging, cooperated with the National Food Safety Risk Assessment Center to complete the "challenging experiment" verification for rPET content at 25% and 50%, proved the effectiveness of the decontamination process by simulating extreme pollution conditions, and demonstrated the reliability of semi-chemical rPET product processing, thereby promoting green recycling.

Protecting Consumer Rights for Assured Experiences

Strictly Prohibiting False or Misleading Publicity

The company attaches great importance to the concept of responsible marketing. In 2024, sales materials of all projects for sale were signed by various departments, including design, engineering, customer control and marketing before they were published to ensure the authenticity and validity of the information. For all marketing-related employees, the company carries out various forms of ethics training online and offline as well as training on responsible marketing requirements for advertising every year to ensure that marketing information complies with legal standards and is free from exaggeration or misrepresentation.

The Group attached great importance to the reasonable needs of customers, minimized communication and consumption costs for customers within its capabilities, strictly implemented the consumer privacy protection system, and built a "firewall" for consumer rights and interests.

CR Land

The company strictly complies with national laws and regulations and business ethics standards. It improves the policy system and adds packaging compliance review accountability, ensuring the objectivity and accuracy of the promotional content. Moreover, in order to strengthen the packaging and label compliance risk management and control capabilities of each unit, in 2024, the headquarters of CR Ng Fung served the label compliance management in the daily work of each unit by building a third-party consulting platform for CR Ng Fung packaging label compliance. The company also carried out special measures to improve the compliance of packaging labels and reviewed 964 packaging labels of products for sale to ensure that the packaging labels of products complied with the national standards.

CR Ng Fung

The company continued to improve and strengthen its responsible marketing system and carried out responsible marketing reviews by three methods: market visits, inventory counts, and complaint follow-up, covering procedures such as order review, inventory counts, promotion specifications and product labelling. It ensures that the sales and marketing publicity of the products is highly in line with the quality and image of the products, avoids any exaggeration or excessive publicity, strictly complies with relevant laws and regulations, and resolutely eliminates false information and promotional content that may mislead consumers, thereby achieving effective protection of consumer rights.

CR Beverage

Actively Handling Consumer Complaints

CR Beverage

The company has established a comprehensive customer service system, formulated standardized service procedures and customer complaint handling specifications, and continued to supervise and optimize. Through multiple channels such as product packaging, official website, social media, sales frontline and third-party surveys, the company actively collected customer feedback to ensure the comprehensiveness of the service coverage. In 2024, the hotline served over 61,000 times, with a complaint handling rate reaching 100%.

The company has set up a quick response mechanism. Regarding the complaints, customer service is required to be dispatched within 0.5 working days, the handling department shall contact the customer within 24 hours and conclude within 2 working days. If a complex issue requires a delay, the staff should be proactive in communicating progress.

In strict compliance with the "Food Safety Law" and the "Food Recall Management Measures", the company immediately suspends production and initiates the recall process for products that do not meet safety standards or are at risk, notifies relevant parties, and records the whole process. The recalled products are disposed of in accordance with the law. The company is liable for the returns and compensation.

Care for trust: CR Beverage efficiently resolves customer complaints about "empty bottles"



On 14 December 2024, CR Beverage's office monitored a complaint on a certain short video platform regarding the purchase of film-packaged CR C'estbon bottled water; among one unopened bottle turned out to be empty.

Upon discovering such public opinion, the company immediately activated a response mechanism. The office reported the issue to the company's marketing department, whose official account immediately took the initiative to communicate with the consumer through private message. After the consumer voluntarily provided his mobile phone numbers on 18 December, the marketing department immediately directed the number to the customer service center for follow-up. In the morning of that day, our customer service staff promptly contacted Mr. Wang to communicate and understand the issue. Mr. Wang stated that he purchased a package of film-packaged C'estbon 555mL bottled water at the store downstairs about ten days ago. He found that the bottle of unopened products was empty and noticed seepage at the bottom of another bottle, with other products showing no issues. After communication and explanation, the consumer confirmed that the bottoms of the empty bottles were also damaged. It was believed that some products sustained packaging damage due to external impacts during circulation, storage, and transportation, causing water to leak out and result in empty bottles.

Lastly, through friendly discussions, this issue was successfully resolved. The consumer expressed his appreciation for CR Beverage's efficient, professional, and responsible handling of the issue.

The incident served as an alarm bell for CR Beverage and an opportunity to further improve its service quality. In order to prevent similar issues from recurring at the source, CR Beverage has established the "CR Beverage Logistics Operation Management System." This system aims to strengthen protective measures during storage and transportation. It ensures that loading and unloading operations are conducted carefully, avoiding rough handling. Additionally, any discoveries of leakage or damage during transportation processes are promptly addressed with replacements or compensation. In the meantime, CR Beverage continues to supervise the quality process in the market, conducts market visits and product sampling, and performs regular assessments on product quality protection capabilities in accordance with the "Market Quality Management Standard" to ensure the reduction of food safety risks of products during storage and circulation.

CR Land

Adhering to the "CR Land Residential Customer Complaint Handling Management Guidelines" and the "CR Mixc Lifestyle Residential Customer Complaint Handling Operational Guidelines", CR Land provides efficient and prompt responses and solutions to customer requests through the offline 400 complaint hotlines and the online Run-Service APP. In cases where product or service quality causes losses to customers, the company strives to act promptly in response to customer requests and provide reasonable compensation for their losses based on stringent analysis of accountability and compensation level, ensuring that all incidents are resolved according to company management requirements.

CR Land turns complaints into satisfaction by resolving difficulties encountered by customers



Complaint Details

The owner of the Shenyang Gongyuan Jiuli project of CR Land Northeast Company reported issues with cracks in the indoor floor tiles.

Investigation Process

In the winter of 2024, the owner of the Shenyang Gongyuan Jiuli project submitted a repair request for cracked indoor floor tiles, for which the company's customer service ambassador promptly responded and scheduled a visit with the owner. Upon inspection and analysis, it was determined that the issue were primarily due to two reasons: first, the significant temperature fluctuations during the autumn and winter heating season in northern regions caused thermal expansion and contraction of the tiles near the windows, with insufficient gaps for expandable spaces; second, inadequate treatment of the base resulted in poor adhesion and uneven stress distribution due to hollow spots. The staff reassured the owner on-site, providing a detailed explanation of the preliminary assessment, construction procedures, protective measures, special circumstances, and contingency plans. After receiving the owner's consent, they began the repair work.

Handling Process

- 1

Protection and removal: Under on-site supervision and with adequate protection for finished products, the repair workers removed the cracked tiles by cutting along the cracks with a marble saw while continuously dusting and applying water. They carefully pried up the tiles to avoid damaging other underlying structures and tiles.
- 2

Base handling: They cleaned the remaining cement mortar and other debris, then levelled the base with cement mortar to ensure it was smooth and solid, allowing it to dry. Throughout this process, they continued to reassure the owner and shared tips on daily tile cleaning, building mutual trust.
- 3

Due to long project delivery, the company engaged with various parties to find restoration materials that matched the specifications, color, and material of the original tiles. They glued the tiles using cement mortar, ensuring uniform spacing during the process. A rubber mallet was used to firmly bond the tiles to the base. Once the cement mortar set, they filled the space and completed the repairs for the owner's final acceptance.
- 4

At last, the repair work was completed within the specified time frame, and the owner expressed great satisfaction with the company's attitude and professionalism. The complaint case was successfully closed.

Fair Trading

CR Land

In stringent compliance with the requirements including "CR Land Responsible Product and Marketing Policy", the "CR Land Management Requirements for Sales Prices (Discounts), Contracts, and Payments of Commercial Housing", and the "On-site Sales Disclosure Document", the company ensures legal and compliant sales in alignment with national and local government policies. A systematic framework for responsible marketing review and control processes has been established, with all adverse factors clearly disclosed on-site. Random on-site inspections are conducted to ensure compliance, achieving fair transactions in all aspects.

CR Bank

In stringent compliance with the regulatory requirements including the "Measures for the Administration of the Protection of Consumer Rights and Interests by Banking and Insurance Industries", the company places great emphasis on the fair-trading rights of financial consumers that consumer protection reviews are integrated into all aspects, such as product design, marketing promotion, and agreement formulation, fully implementing fair trading principles. When promoting products, the company adheres to fair trading principles, ensuring that customers receive equal treatment during the loan application, approval, and usage processes. Employees are required to provide accurate pre-loan guidance and inform customers about important details, including but not limited to the "Ten Prohibitions for CR Bank Customer Managers" and the statement that "CR Bank does not cooperate with any intermediaries", effectively protecting customer rights.

Customer Information Protection

CR Land

In stringent compliance with relevant laws and regulations including the "Cybersecurity Law of the People's Republic of China", "Data Security Law of the People's Republic of China", and "Personal Information Protection Law of the People's Republic of China", the company has formulated the "CR Land Cybersecurity Management Regulations", "CR Land Data Management Regulations", "CR Land Data Security Management Guidelines", "CR Land Data Quality Management Rules", and "CR Land Data Backup Management Norms", in order to protect customer privacy and data security. A gap analysis is conducted against GB/T 37988-2019 "Information Security Technology and Data Security Capability Maturity Model" to identify and rectify shortcomings, further improving data security policies and processes. In 2024, the company did not experience any data security incidents.

CR Jiangzhong

In compliance with Level Protection 2.0 requirements and ISO 27001 international standards, the company has developed and implemented information network security management systems with reference to industry best practices in cybersecurity by publishing various cybersecurity management regulations and standards, including the "Third-Party Cybersecurity Management Norms", "Personnel Cybersecurity Management Norms", "Cybersecurity Compliance and Inspection Management Norms", "Information System Business Continuity Management Norms", and "IT Infrastructure Management Norms". The company has established a cybersecurity and information technology leader team, led by its main responsible person, with a dedicated cybersecurity and information technology working group primarily from the Smart & Information Technology Department. In this regard, all employees shall sign security responsibility agreements, while cybersecurity communication groups shall be formed across departments, business lines, and bases. A smart security collaboration platform is established to automate and intelligentize the lifecycle of security vulnerabilities and threats, ensuring closed-loop handling and intelligent management of security incidents, issues, and risks.

CR Micro

As the company values the protection of customer rights, it has established and implemented privacy protection policies, focusing on the security of information involving customer privacy. It has enforced strict data classification and management strategies, ensuring full lifecycle management of sensitive data. Meanwhile, a comprehensive data backup and recovery mechanism is in place to ensure data integrity and availability, safeguarding the security of both enterprise and customer information.

Deepening Strategic Planning to Drive Continuous Growth in Customer Satisfaction

Product Knowledge Popularization and Customer Training

Zhuhai China Resources Bank

The company implemented financial education work in strict accordance with the relevant requirements of the "Management Measures for Financial Knowledge Publicity and Education of Zhuhai China Resources Bank", coordinated education activities, and promoted the normalization, centralization and long-term effectiveness of financial education. Through unique events such as the "CR Bank Caring Station" and the "CR Bank Specialized Consumer Protection", it continued to popularize eight basic rights and interests among financial consumers, remind potential risks and enhance their basic financial literacy and self-protection capabilities. In 2024, it conducted a total of 779 online and offline promotional activities, published approximately 460 educational messages, and featured 7 articles in key external media outlets, reaching a total of approximately 680,000 people.



Financial Knowledge Publicity Event held by Zhuhai China Resources Bank on 15 March

CR Sanjiu

Capitalizing on its industry advantages, the company has innovated its own brand festival "Sanjiu Healthy Day (March 9)". Partnering with JD Pharmacy, Keep, Hongshan Forest Zoo in Nanjing, and chain pharmacies, it has conducted a series of online and offline charity events related to healthcare. Through healthcare education lectures, community clinics, "3.9 KM Healthy Walks", and public media advertisements, it aimed to enhance customers' health awareness and promote a healthy and civilized lifestyle, contributing to the development of China's healthcare industry.



Promotion of Chinese Medicine-related knowledge and free clinics on Sanjiu & Neptunus Healthy Day

Proactive After-Sales Service System

CR Land

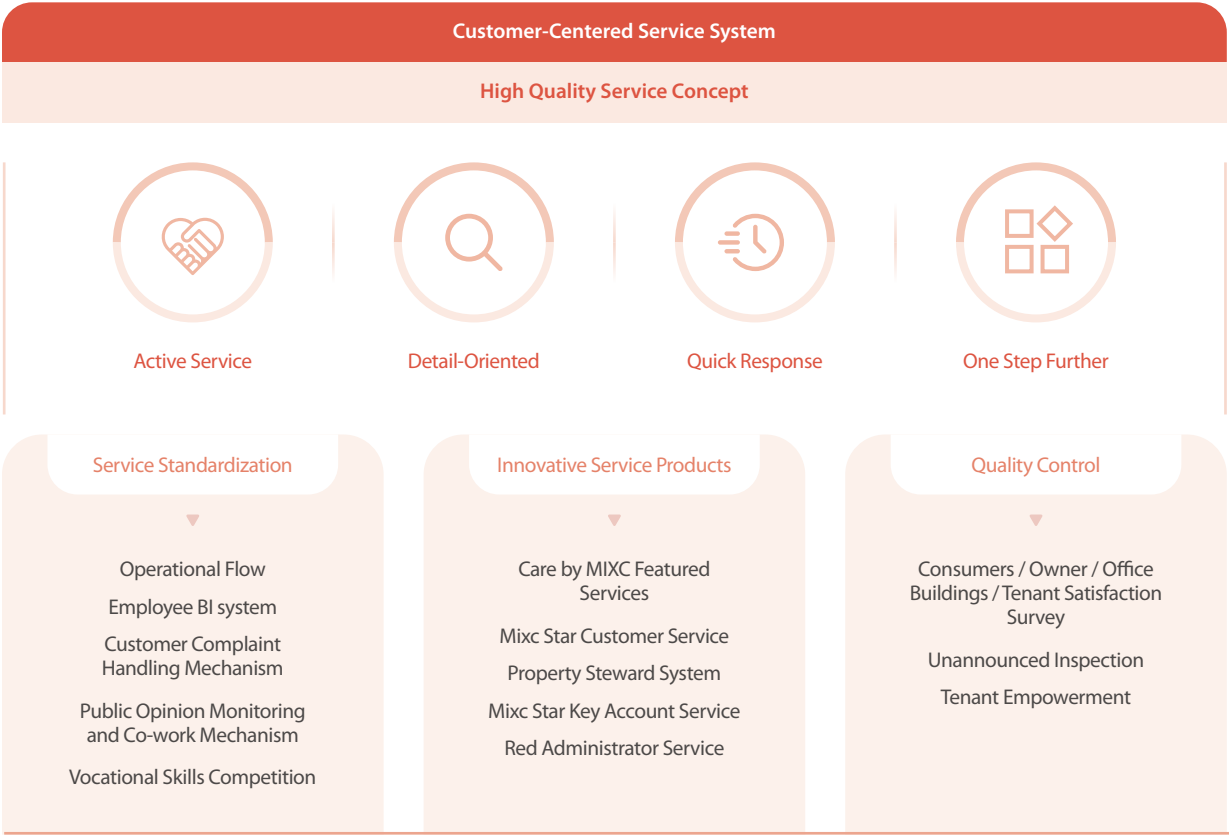
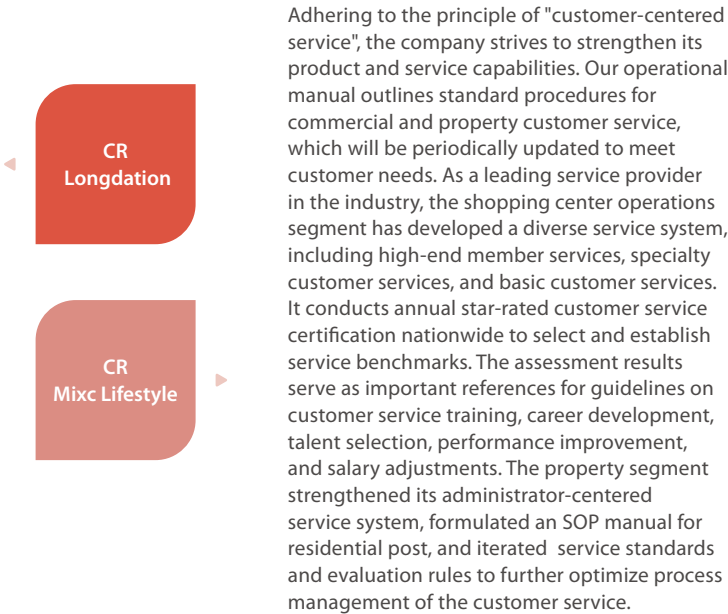
The company has put great efforts into practicing a proactive after-sales service philosophy by operating frequent and diverse community engagement to establish deep interactive relationships with homeowners. It has also implemented a "one-to-many" exclusive service model, where a service team composed of property consultants, dedicated housekeepers, and maintenance engineers follows up on homeowner needs throughout the process. Through innovative initiatives such as "Monthly Engineering Reports", "Home Visits by Run", "Co-Building Garden", and "Live Stream on Site", the company addressed customer concerns in advance, so that homeowners were allowed to gain an in-depth understanding of their new home's progress before delivery, ensuring a "full-cycle transparent service" from purchasing a home to moving in. By promoting co-governance among homeowners, community engagement, and sustainable space upgrades, the company has transformed its service from "passive response" to "proactive co-construction", truly realizing the CR service standard of "after-sales support once delivery starts". In terms of service assurance, the company has established a "pre-compensation" express channel for effective processing in strict compliance with group policies. It aims to reshape the industry benchmark with a systematic approach by identifying potential issues and providing upfront compensation, ensuring that customer rights are addressed in a prompt manner.

Dong-E-E-Jiao

The company has established the "LIFE" store system to advocate the philosophy of dietary supplements for a nourished life from Dong-E-E-Jiao. In this regard, it focused on customer experience to create peak experiences; carried out its plan for themed activities such as "Mid-Autumn Festival Gifts from Dong-E-E-Jiao" via its brand-owned stores as the platform; and hosted a brand event under the theme "Nourished Experience in Four Seasons with Eastern Aesthetics". It has also collaborated with Hubei Broadcasting & Television Information Network to hold exclusive internal purchasing events for Dong-E-E-Jiao by offering valet services like boiling and powdering of donkey-hide glue and providing innovative customer experiences to meet individualized needs in a meticulous manner and create the most trusted nourished life experience with dietary supplements for the public.

Customer Satisfaction

Since 2004, Chinese Arts & Crafts, a subsidiary of the company, has been consecutively recognized as a "luxury premium brand" in Hong Kong and has long been acknowledged by the Hong Kong Tourism Board as an accredited merchant. To enhance customer experience, Chinese Arts & Crafts has introduced exclusive member discounts, gift promotions, and exclusive product appreciation events, while also improving customers' appreciation skills through product knowledge training. In 2023, Chinese Arts & Crafts achieved an outstanding score of 93.75 in the "Mystery Shopper Program" and received the "Bronze Award of Quality Service Retailer of Flagship Stores" and the award of "Premium Life-Style Category" from the Hong Kong Retail Management Association. Synergis Management has been optimizing service quality through regular customer feedback surveys and service evaluation mechanisms. In 2023, its overall customer satisfaction reached 98.34%, with an average score of 8.48 (out of 10) in corporate customer feedback. The company also received 131 appreciation letters from customers throughout the year, reflecting its exceptional service standards.



Innovative Development: Building a Technology Management System with "One Enterprise, One Policy" Approach

Innovation Systems and Measures

Committed to long-term technological innovation, the Group has put great efforts into policy support to promote R&D investment. With investment in R&D of RMB8.36 billion, it was honored with three second-class awards of the National Award for Progress in Science and Technology and took the lead in obtaining the approval for one national key laboratory, along with 1,339 new patent applications. As of October 2024, 15,089 professionals from the science and technology sector had been employed the Group.

and 10 second-tier and third-tier systems covering science and technology projects, outcome transformation, talent development, and performance incentives. This layered and hierarchical system for science and technology innovation has been established to enhance the standardization and professional management of science and technology innovation.

Since the "14th Five-Year Plan", the Group has implemented a total of 647 key technology projects, including 139 projects at the provincial level or above (47 projects at national-level and 92 projects at provincial-level). The "1+N" system for technological innovation has been established. The Group has developed and implemented 1 first-tier system on the "Science and Technology Innovation Management Regulations"

Integrating the general principles of science and technology innovation with the actual circumstances of each business unit is a key breakthrough in constructing the CR technology innovation management system. Considering the industry characteristics, development stages, capability status, and innovation needs of each unit, it has formulated a targeted "One enterprise, One policy" management plan.



The Group held its second science and technology innovation conference, attended by all members of the leadership team of the Group and over 150 participants, including relevant heads from various departments and business units, members of the Association for Science and Technology of the Group, and leading talents in the science and technology field. Leaders from SASAC, the Ministry of Industry and Information Technology, and the China Association for Science and Technology were also present to provide guidance. Chairman Wang Xiangming delivered an important speech, systematically outlining the Group's efforts in science and technology innovation, while General Manager Wang Cuijun conveyed the spirit of the National Science and Technology Conference and the Central State-Owned Enterprises Technology Innovation Conference.

Accelerating the Transformation of Scientific and Technological Achievements

The Group continued to strengthen science and technology innovation and continued to produce major and original scientific and technological achievements in the direction of "the Pillars of a Great Power". Drugs such as Omeprazole and Sodium Bicarbonate Capsules developed by CR Sanjiu have been granted approvals to continuously enrich the digestive, cardio-cerebrovascular, and respiratory product mix; CR Double-Crane has developed Mercaptopurine Mini-tablets, which are the first variety of mini-tablet preparation in China; CR Micro's "highly reliable acoustic

devices and MEMS microphones for intelligent connected vehicles" has been successfully approved as the key product of the Ministry of Industry and Information Technology; CR Power completed the performance test of the world's first 100MWh series grid-based energy storage power station to accelerate the progress of the construction of the single-pile foundation offshore wind power project with the largest single-pile foundation in China.



CR Power explores and promotes the R&D and innovation of virtual power plant control technology, launches the virtual power plant control platform, and integrates distributed power sources, energy storage systems, and user-controlled loads through digital and intelligent technologies to build a system capable of responding to grid operation adjustments. This helps to promote the optimization of power supply and demand balance, increases grid operating efficiency, further facilitates renewable energy consumption, and provides regulatory support capabilities for the new power system.



Achieving Dual breakthroughs in the quality and quantity of R&D platform

Up to now, the Group has 7 national technology platforms, representing an increase of 2 compared with the end of the "13th Five-Year Plan", of which the Group has taken the lead in constructing 6 platforms and participated in building 1 platform. The Group accelerated in the deployment of its high-level platforms. CR Sanjiu was approved as one of the "Enterprises Leading an Individual Field of the Manufacturing Industry" of the Ministry of Industry and Information Technology. CR Micro (DIS Microelectronics) and CR Digital (CR Intelligent Computing

Technology) were approved as one of the "specialized and innovative" small giant enterprises of the Ministry of Industry and Information Technology. CR Double-Crane (Dongying Tiandong Pharmaceutical) was selected as one of the world-class "specialized and innovative" demonstration enterprises of the SASAC. In addition, the Group undertook a total of 43 national-level projects and 88 provincial and ministerial-level projects and continued to enhance its capabilities of R&D breakthroughs.

Commitment and Performance

Commitment Made in 2024 ▶▶▶

We optimized the scientific and technological innovation management system, strived to build an effectiveness-oriented scientific and technological innovation work system, and improved the output and transformation efficiency of scientific and technological innovation results. We promoted the research and development progress of key projects. The specific responsible units must speed up the construction of the source of original technology, complete the second phase of the "1025" research tasks with high quality, and strive to realize the transformation of some technological research into products.

Efforts should be made to build an effectiveness-oriented scientific and technological innovation work system and improve the output and transformation efficiency of scientific and technological innovation results. It is necessary to increase the supply of scientific and technological innovation policies, and explore special policies such as the establishment of the Group's scientific and technological innovation fund support mechanism and an internal first (set) application support mechanism.

We continued to improve the customer relationship management system, optimized customer satisfaction survey methods, enhanced data analysis capabilities, conducted closed-loop management of customer relationships, and effectively improved customer satisfaction.

We made every effort to ensure the supply of electricity and gas in the market; we gave full play to the overall advantages of the healthcare sector, smooth channels for purchasing medicines, diagnosis and treatment, made every effort to ensure market demand, and went all out to ensure the production and supply of medical supplies in various places.

Commitment Performed in 2024 ▶▶▶

In 2024, CR Group's overall R&D investment amounted to RMB8.36 billion, 2.53 times higher than that at the end of the "13th Five-Year Plan"; the average compound annual growth rate during the "14th Five-Year Plan" was 26.3%; the R&D investment intensity was 0.90%, 0.42 ppt higher than that at the end of the "13th Five-Year Plan".

The Group sets differentiated management goals for businesses that involve concepts of "the Pillars of a Great Power" and "people's livelihood". It has fully considered the industry characteristics and development stage of the business units, formulated a management plan of "company-specific strategies" and put forward differentiated assessment suggestions. The Group adheres to a systematic mindset and promotes technological innovation through the effective integration of all core elements.

Several business units have carried out systematic improvement in customer satisfaction. Taking the example of CR Power, by focusing on the upgrading of customer experience in energy service, the Group formulated the "Guidelines for Customer Service Management of the Customer Service Center of the Electricity Sales Business". It has also established a "7 x 24 Hours" designated staff service mechanism, which covers all business scenarios such as consultation, loading and unloading, and faulty repair, to achieve immediate response to customer needs and efficient handling.

We have successfully completed tasks such as ensuring energy supply, ensuring people's livelihood, expanding employment, earthquake relief, and supporting major national events, effectively fulfilling the responsibilities as a central state-owned enterprise and fully demonstrating CR's responsibility.

Commitment Made in 2025

The Group will strive to build major and original scientific and technological achievements in the field of "the Pillars of a Great Power," overcome technical "bottleneck" difficulties, vigorously cultivate and develop new industrial tracks, and strive to actively promote the transformation and application of scientific and technological innovation achievements in the field of "people's livelihood".

The Group will continue to optimize the customer management system, upgrade the satisfaction research mechanism, strengthen data-driven analysis, and achieve a closed-loop customer service process to effectively improve the level of customer satisfaction.

The Group will adhere to the principle of scientific and technological innovation management system, strive to promote the implementation of scientific and technological innovation strategies of all business units, continuously improve core technological breakthrough capability, accelerate scientific and technological innovation, and promote integrated development with industry innovation.

The Group will complete tasks such as energy supply, livelihood security, and employment stability, complete various race guarantees at a high level, and strengthen the dynamic reserve and rapid response capability of medical supplies.

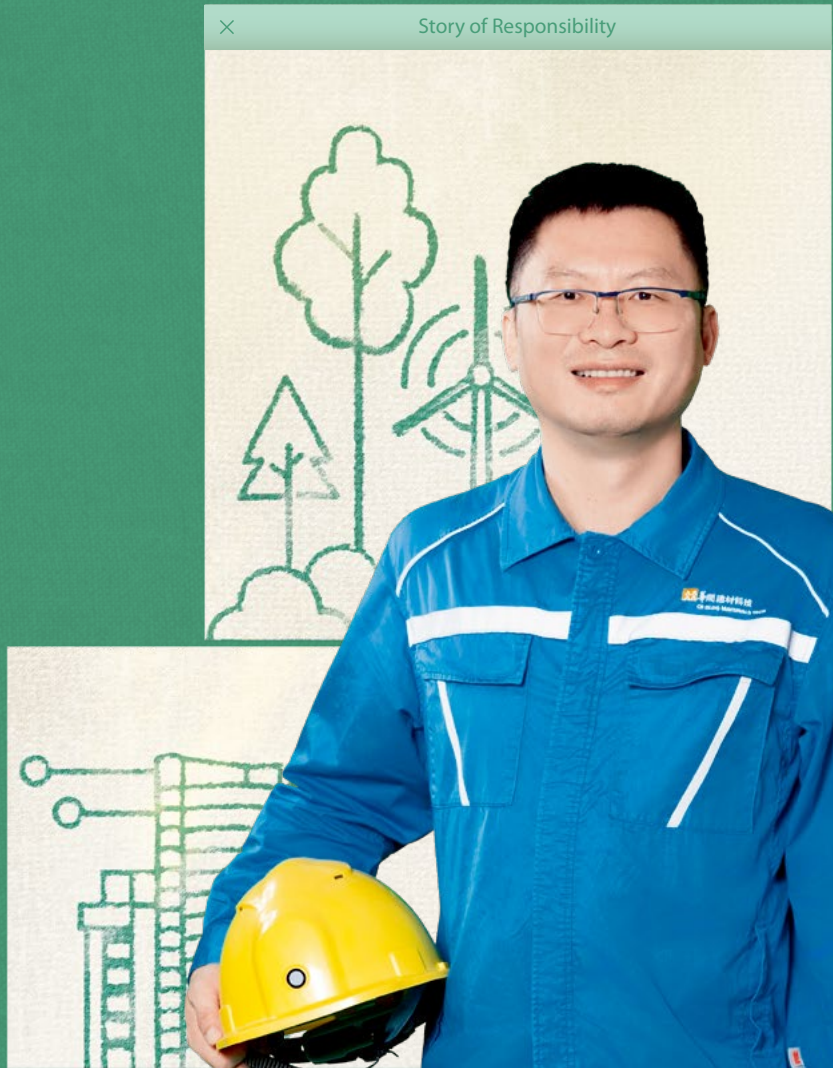
Environmental Responsibility

Envisioning for Earth



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Story 4



Sun Zheng
General Manager of
CR Cement (Tianyang) Limited



Scan the QR code
for the vlog of Green Miracle
of Concrete Casting



"Beacon" Lighting the Way: Empowering Green Development

Tianyang District in Baise City, located in the western part of Guangxi Zhuang Autonomous Region and the central area of the You River, is known as the "hometown of Mangoes" and is a home to various ethnic minorities, boasting a beautiful natural environment. However, despite being nestled among green mountains and clear waters, the local government faces the "garbage siege" dilemma during economic development and urban expansion.

Addressing the Dilemma of "Garbage Siege"

"With a population of over 300,000 in the Tianyang District, the government used to allocate 20 to 30 acres of land each year specifically for landfill. As the population grew, the conflict has become increasingly prominent," said Deputy Mayor of Tianyang District, Ma Song, expressing his concerns. He noted that the garbage disposal process is complex, involving multiple stages such as collection, transportation, treatment, and disposal. Traditional incineration produces air pollution, while sorting waste requires significant investment and high costs for collection and transportation. The lack of adequate waste treatment facilities has resulted in the accumulation of some garbage, increasing subsequent operation and maintenance costs, and causing further pollution to the environment.

CR Cement (Tianyang) Limited, a subsidiary of CR Building Materials Tech, operates a new 4,500-ton/day dry-process cement clinker production line with an annual cement output of 2 million tons, commissioned in December 2010. Huang Liyi, an environmental engineer in the EHS department at Tianyang Cement, joined the company in October 2010 and is primarily responsible for carbon emission management and environmental protection. He shared that in June 2016, Tianyang Cement signed a cooperation agreement with the government in Tianyang District of Baise City to utilize the cement kiln for co-processing urban and rural domestic waste.

"Compared to landfill and incineration, co-processing domestic waste in a cement kiln is a safe and environmentally friendly treatment technology," Huang Liyi explained. Cement production involves "two grindings and one burning": raw material grinding, clinker calcination, and cement grinding. Urban waste is introduced into the cement kiln during the second stage, participating in high-temperature calcination to produce clinker. Unlike the incineration of domestic waste in power plants, which generates toxic dioxins, the rotary kiln in cement production reaches over 1,450 degrees Celsius, effectively suppressing dioxins without affecting cement quality, thus resolving the "garbage siege" dilemma.

"The entire process is green and pollution-free, representing a 'win-win' model that balances social and economic benefits," Huang Liyi added. For local governments, this project enables the "harmless, resourceful, and reduced" disposal of urban and rural domestic waste, decreasing methane emissions from landfills by approximately 200,000 tons of CO2 annually, thereby supporting local "dual carbon" goals. For cement companies, it reduces the consumption of traditional fossil energy and the damage to the environment and resources.

As of April 2025, Tianyang Cement had disposed of 420,000 tons of local domestic waste to address the "garbage siege" issue in Baise City, saving 12,000 tons of standard coal annually and reducing landfill area by 1,600 acres. Over a decade, this equates to an annual reduction of 14 million cubic meters of methane emissions, bringing strong momentum into Tianyang's "lucid waters and lush mountains".

As of April 2025, Tianyang Cement has disposed of

420,000

tons of local domestic waste

Saving

12,000

tons of standard coal every year

Lucid Waters and Lush Mountains are Invaluable Assets

In 2004, Sun Zhen graduated from university and joined CR Building Materials Tech, rising from a technician to General Manager of Tianyang Cement. "The traditional cement industry is typically characterized by 'high energy consumption, high material consumption, high pollution'. It is also a key target for national energy-saving and emission reduction. Energy conservation and carbon reduction are mandatory tasks and inevitable trends for development," he explained.

CR Building Materials Tech actively responds to the national "dual carbon" policy and has been exploring a green, low-carbon development path. Starting from the entire cement production process, the company has proposed the "3C" carbon neutrality theory. "This aligns perfectly with our work!" said Sun Zhen, who uses it as the underlying logic for management, complemented by more detailed measures. The company has gradually explored innovative practices such as co-processing social resources, constructing photovoltaic power generation for "low carbon at the source", promoting "reduce carbon during the process" through intelligent manufacturing, and achieving "remove carbon at the end" with space biotechnology.

"Co-processing domestic waste in a cement kiln is the first step towards 'low carbon at the source,'" he explained. The company also installed nearly 10,000 square meters of photovoltaic panels to supply power for production, reducing reliance on traditional fossil fuel electricity. Additionally, a pure low-temperature waste heat power generation system has been constructed, which saves approximately one-third of the company's purchased electricity, reducing carbon emissions from electricity.

In terms of the "reduce carbon during the process", the company has made significant investment in equipment upgrades and transformations and energy-saving transformations. Sun Zhen noted that in 2024 alone, the company invested RMB4.61 million in these upgrades. Furthermore, an intelligent information and automation system has been established to optimize production processes, enhance production efficiency, and reduce carbon emissions during production. For example, artificial intelligence is used for automatic deviation correction to ensure the stable remote operation of the entire system, while black screen operations allow the backend to run automatically without manual intervention, significantly reducing energy consumption.

"Remove carbon at the end" explores the full use of renewable resources, such as using arundo donax in space for biocarbon fixation as an alternative fuel, capturing 4.05 tons of carbon per acre. In addition, the grinding aids for carbon fixation independently developed by CR Building Materials Tech have been used in the cement powder production process, which has also reduced carbon consumption at the end of cement production.

Sun Zhen noted that through these beneficial initiatives, Tianyang Cement has reduced its carbon emissions by 46.07% compared to the beginning of the "14th Five-Year Plan" (2020), truly realizing the goal of "allowing green new productivity to become the driving force for the sustainable development of the enterprise".



CR Building Materials Tech's Tianyang Industrial Park

"Lighthouse Factory" Leading Green Intelligent Transformation

On 28 December 2023, the inauguration of the Tianyang Cement's "Lighthouse Factory" marked it as the first "Lighthouse Factory" in the global building materials industry.

Regarding the application for the "Lighthouse Factory", Sun Zhen recalled, "During the '13th Five-Year Plan' and '14th Five-Year Plan', CR Building Materials Tech included the intelligent transformation of Tianyang Cement in its strategic planning and initiated a smart manufacturing strategy in 2018, designating Tianyang Cement as a pilot unit to explore full-process intelligent transformation while actively benchmarking and applying for the 'Lighthouse Factory' of the World Economic Forum".

"We focused on enhancing management efficiency through four dimensions: labor efficiency, energy efficiency, sustainability, and replicability, achieving a qualitative leap in organizational restructuring and innovative development," Sun Zhen expressed his desire to provide replicable management experiences for enterprises in the industry, promoting the cement sector to develop towards green, low-carbon, and intelligent efficiency.

Taking the mine as an example, the limestone mining area is only three kilometers from the factory but is remote with inconvenient transportation. Previously, operations involved complex procedures such as manual blasting and drilling on the site, safety monitoring, slope displacement measurement, loading, and transportation. Now, capitalizing on technologies such as digital mining construction and unmanned mining truck system, automatic transportation route planning and multi-vehicle collaborative operations are achieved, with the "loading, transporting, and unloading" process fully unmanned and autonomous. Sun Zhen calculated that five pure electric unmanned mining trucks reduced operating costs by 83% and annual carbon emissions by 319 tons as compared with nine traditional diesel trucks, effectively supporting energy-saving and carbon-reduction efforts in cement production.

In 2020, the smart manufacturing project at Tianyang Cement had been successively launched, covering production and operation management, 5G private networks, and other digital use cases. It also completed smart construction across the entire process from EHS management, mining, production, quality, equipment, to cement shipping. By 2024, further iterations and upgrades were made around industrial modeling and AI algorithms, based on deep application needs for industrial data and on-site vision.

Over 15 years since commissioning, Tianyang Cement has transformed from a standard traditional cement enterprise into one with multiple application scenarios of artificial intelligence and smart manufacturing. Sun Zheng, who participated in and witnessed this development, feels proud, "We have achieved the goals of 'safety management, transparent production, stable quality control, connected equipment, and reduced energy consumption', while completing organizational restructuring and overall optimization and improvement of operational models and personnel quality."

"Tianyang Cement is a pioneer in the digital transformation of CR and a pilot unit for smart manufacturing at CR Building Materials Tech," stated Xie Ji, CEO of CR. Being recognized globally as a "Lighthouse Factory" is a successful example and milestone that exemplifies CR Building Materials Tech's commitment to green and low-carbon development and its continuous effort for traditional cement manufacturing to transition towards intelligent, green, and high-end upgrades.

"Greening and intelligence are two inseparable aspects of high-quality enterprise development and are also the main directions for the transformation and upgrading of the building materials industry." To this end, Xie Ji envisioned the future, "We will continue to lead innovation in the industry, serve as a 'pilot-and-demonstration' model for the green and intelligent development of the industry, actively participate in standard formulation, and contribute to enhancing the green and digital levels of the industry with the strength of CR."

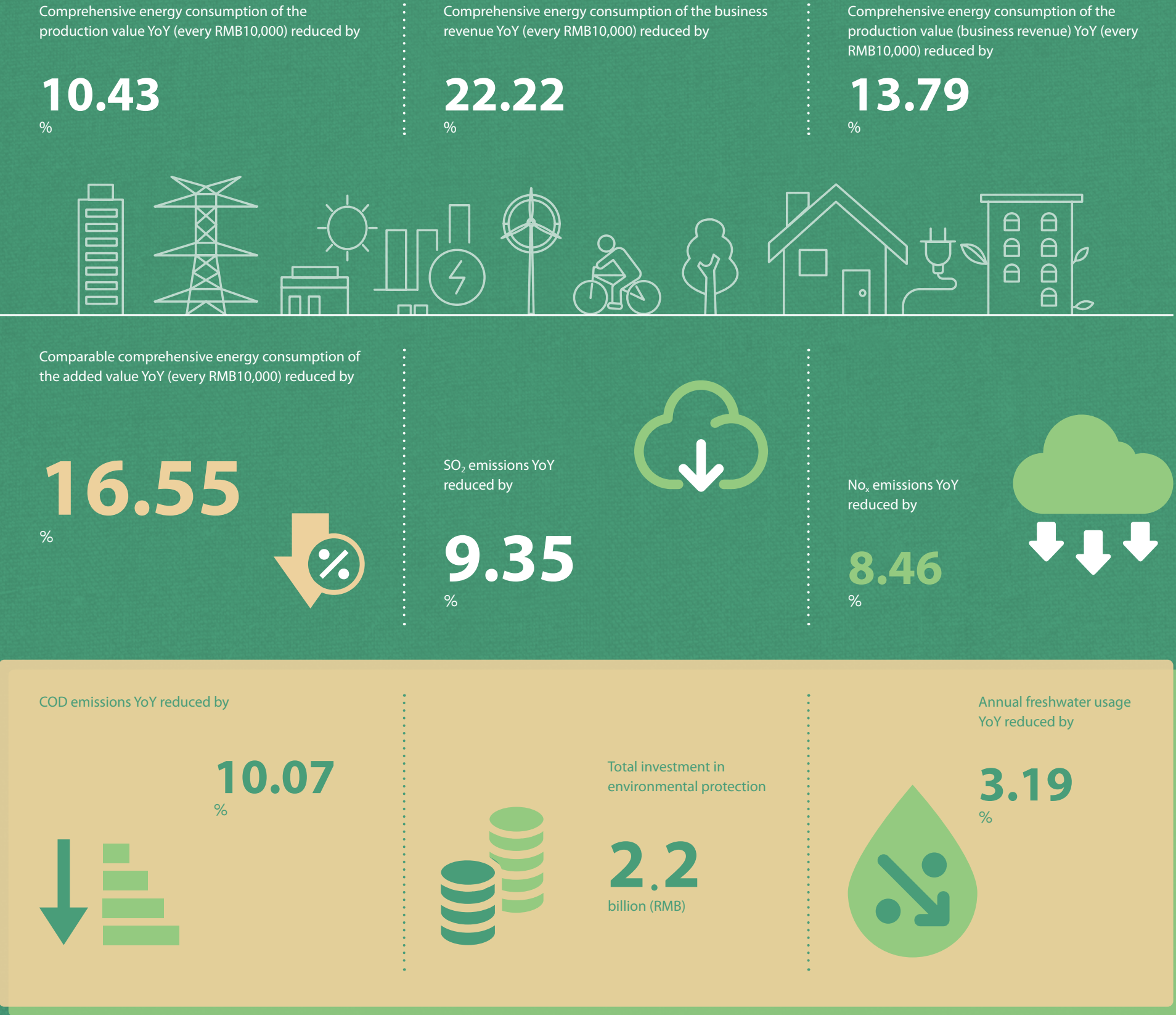
Concept and Vision

Adhering to Xi Jinping’s thought on ecological civilization as the cornerstone, we have fully implemented the strategic deployment for building a beautiful China by deeply executing the "1+N" policy system for carbon peaking and carbon neutrality. With synergistic efficiency in pollution and carbon reduction as our overarching strategy, we adhere to precise, scientific, and legal pollution control by strengthening source prevention and systematic governance of ecological environmental risks in order to accelerate the construction of a green, low-carbon, and circular development economic system and promote the green transformation of industrial, energy, and transportation structures in a solid manner. While deepening innovative practices in energy conservation and emission reduction, ecological protection and restoration, and the application of green and low-carbon technologies, we resolutely safeguard the bottom line of ecological and environmental safety and continuously polish the green foundation of CR’s high-quality development, contributing CR’s strength to building a modern society where humans and nature coexist harmoniously.

SDGs Response



HKEX ESG indicators covered in this chapter: A1.1, A1.2, A1.3, A1.4, A1.5, A1.6, A2.1, A2.2, A2.3, A2.4, A3.1, A4.1



In 2024, the Group’s carbon dioxide emissions of the production value (business revenue) (every RMB10,000) decreased by 13.98% YoY, a decrease of 21.67% as compared to 2021, exceeding the annual target of energy conservation and emission reduction assessment for the term of 2022-2024 (seventh term) of the heads of central state-owned enterprises.

Carbon Dioxide Emissions and Renewable Energy Usage of the Group	
Carbon dioxide emissions of the production value (business revenue) (every RMB10,000) (tCO ₂ e/RMB10,000)	3,4273
Renewable energy usage (10,000 kWh)	38,980.9
Percentage of renewable energy in electricity consumption (%)	4.00
Performance Indicators	Performance Results

Relevant Basis for Carbon Dioxide Emission Accounting

Business Units	Basis of Accounting	Electricity Emission Factor Sources
CR Power	Corporate Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines - Power Generation Facilities	In April 2024, the Announcement on the Release of the 2021 Electricity Carbon Dioxide Emission Factors (No.12 [2024]) was published by the Ministry of Ecology and Environment and the National Bureau of Statistics
	Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines for Power Producers in China (Trial)	
	In April 2024, the Announcement on the Release of the 2021 Electricity Carbon Dioxide Emission Factors (No.12 [2024]) was published by the Ministry of Ecology and Environment and the National Bureau of Statistics	
CR Building Materials Tech	Corporate Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines - Cement Industry	In April 2024, the Announcement on the Release of the 2021 Electricity Carbon Dioxide Emission Factors (No.12 [2024]) was published by the Ministry of Ecology and Environment and the National Bureau of Statistics
	Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines for Cement Producers in China (Trial)	
Other business units	Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines for Enterprises in Other Industries (Trial)	

CR Beer’s Guangzhou Factory was rated as the Water Efficiency Leading Enterprise of China 2024 by the Ministry of Industry and Information Technology

15 grassroots enterprises including CR Beer’s Foshan Factory, CR Double-Crane’s Jinan Limin Pharmaceutical, CR Sanjiu’s Nanchang Pharmaceutical, CR Building Materials Tech’s Changjiang Factory and CR Micro’s Chongqing Factory were rated as National Green Factories

The total number of the National Green Factories owned by the Group has reached 43

CR Power, CR Gas, CR Longdation and other business units and subsidiaries won 39 Hong Kong Green Enterprise Awards

- CR Longdation won the "Corporate Green Governance Award"
- CR Power won the "Excellent Environmental Protection, Safety and Health Award" (Platinum), the highest prestige
- CR Gas won the "Excellent Environmental Protection, Safety and Health Award" (Gold)
- CR Power, CR Longdation and CR Land Zhengzhou Company won the "Outstanding Environmental Management Award" (Gold)
- CR Property Management Limited’s CR Building project won the "Outstanding Environmental Management Award (Service Provider)" (Gold)

Improving the Ecological Environment Protection Management System

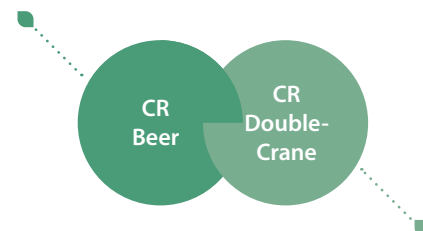
Strengthening Leadership Deployment

To further drive environmental protection-related work, the Group made strategic deployments at the beginning of the year. On 7 February 2024, the Group convened the EHS work meeting for 2024, where Chairman Wang Xiangming urged enterprises at all levels to further enhance their capacity for green and low-carbon development. He emphasized the importance of the decisions and deployments made by the State Council regarding the comprehensive advancement of building a beautiful China, to implement energy conservation, environmental protection, and carbon reduction with a meticulous and determined spirit. He stressed the need to set higher standards for pollution prevention and control, actively creating an ecological and environmental protection governance system and governance capabilities that align with world-class enterprises. In order to implement major national strategies for carbon peak and carbon neutrality in an earnest manner, continued optimized action plans for carbon peak have to be implemented in a meticulous and detailed manner.

Establishing and Improving Environmental Protection Management System

We strictly abided by laws, regulations and policy standards related to energy conservation and ecological environment protection, studied new regulations and documents in a timely manner, and revised and improved environmental protection rules and regulations based on the Group's management requirements and the status of environmental protection work. The Group formulated and published the "Acceleration Plan for Green Development and Beautiful China Construction of CR", which clarifies 15 key tasks, including driving the green transformation of industrial structures, intensifying efforts to control pollution, and addressing prominent ecological and environmental issues to build a beautiful China with CR's strength.

CR Beer formulated and published the "Radiation Management Guidelines for CR Beer", which strengthens the management of radioactive pollution related to radiation devices used in the beer production process, enhancing the standardization and regulation of radiation device management.



CR Double-Crane formulated and published the "CR Double-Crane Inspection Standards for Ecological Environmental Protection (2024 Edition)", which clarifies the categories, items, methods, and basis for ecological and environmental protection inspections, providing guidance for grassroots enterprises in conducting investigations and rectifications on ecological and environmental protection issues.



Chairman Wang Xiangming attended the Group's EHS Work Meeting 2024 and delivered a speech.

Carrying Out In-Depth Special Inspections on Ecological and Environmental Protection

We have been committed to fulfilling our primary responsibility for ecological and environmental protection, adopting a problem-oriented approach that focuses on key areas. We have intensified the supervision and inspection of ecological and environmental protection by organizing special investigations and rectifications regarding solid waste, environmental qualification certifications, and compliance issues related to automatic monitoring of pollution sources, with an aim to fundamentally eliminate ecological and environmental risks.

The Group has formed an inspection team by inviting environmental protection experts from the industry and its internal experts to conduct key management of pollution discharge and essential ecological and environmental tasks at CR Beer, CR Power, CR Building Materials Tech, CR Sanjiu, CR Double-Crane, CR Micro and CR Chem-Mat, as well as ecological and environmental protection inspections on 39 grassroots enterprises located in key sensitive areas such as the Yangtze and Yellow River basins, in order to identify ecological and environmental issues and make rectifications with guidance.



In September 2024, the Group's EHS Department formed a check team to carry out ecological and environmental protection inspections on CR Power (Heze) Co., Ltd.

Strengthening Environmental Emergency Response Capabilities

We attached great importance to ecological and environmental risks, revised emergency plans for environmental emergencies, organized training and emergency drills, and effectively improved the emergency response capabilities for environmental emergencies.

The Group, in collaboration with CR Building Materials Tech, conducted an emergency response drill for unusual environmental incidents at the Nanning Cement Plant. The drill simulated scenarios such as excessive emissions from the cement kiln, operation failure of exhaust gas automatic

monitoring equipment, and ammonia leaks. Approximately 100 participants from high-risk environmental business units, including CR Building Materials Tech, CR Beer, CR Power, CR Sanjiu, and CR Double-Crane, observed the drill on-site. Experts from the Emergency Center of the Ministry of Ecology and Environment were also invited to the event to provide live explanations about preventing, addressing and managing incidents related to ecological and environmental pollution so as to enhance the emergency response capabilities of the Group's grassroots enterprises.



Guangchang No.6 Primary School's library with the theme of "Low-carbon and Regeneration", which is the 245th rural public welfare library from the "Cestbon 100 Libraries Programme" organized by CR Beverage



"Lighting Up the Green Development Dream", CR Power's public open day event



It organized emergency drills for grassroots enterprises covering scenarios such as failures in sewage treatment systems, chemical and hazardous waste leaks, noise exceedance, and ammonia leaks.

Dong-E-E-Jiao under CR Pharmaceutical, was in proactive cooperation with local ecological and environmental departments to respond to and implement emergency plans for severe pollution weather, effectively improving their emergency response capabilities for unusual environmental incidents.

The Wanli manufacturing base collaborated with the Nanchang Wanli Ecological Environment Bureau to conduct an emergency response drill for ethanol leakage at the Jiangzhong Medicine Valley.

It organized an emergency drill for incidents involving the leakage of organic solvents from the hazardous waste warehouse and radioactive source leaks.



The Group organized an emergency drill for environmental incidents in 2024

Carrying Out Ecological and Environmental Protection Publicity and Training

We have carried out solid training and publicity actions in ecological environmental protection and environmental compliance management to enhance the environmental awareness, management capabilities and professionalism of environmental management personnel.

The Group organized the 2024 professional education and qualification certification training on ecological environmental protection. Based on the actual ecological and environmental risks of each business unit and the job responsibilities of professionals, targeted training courses were tailored for each participant. A total of over 2,600 individuals across the Group completed the course and passed the certification exam.

- CR Beer organized an empowerment training program titled "Environmental Guardians" aimed at "enhancing awareness, addressing shortcomings, promoting transformation, and ensuring execution". Through a combination of online and offline training, the program organized environmental function personnel to learn theoretical knowledge and practical skills in environmental protection, continuously strengthening the talent development within the functional teams and improving their professional capabilities.
- CR Beverage launched the "Plastic Recycling" project and hosted a series of activities such as the "Low-carbon and Regeneration" public library and "Sustainable Garden", which have been widely reported in media outlets such as New Weekly.

- CR Power cooperated with multiple units to host public open day activities, showcasing the cutting-edge practices of modern smart energy plants in efficient operations and technological innovation to the public. This provided the public with firsthand experience to modern green power plants, enhancing their understanding of CR's contributions to green energy development, technological innovation, and social responsibility.
- CR Land endeavored to promote energy conservation and environmental protection knowledge among tenants, consumers and residents on the national energy conservation publicity week with the theme of "Green Transformation for Energy Conservation" and the low-carbon day with the theme of "Green and Low-Carbon to Create a Beautiful China". These initiatives aim to cultivate a strong awareness of energy-saving and environmental protection, enhance the willingness and ability to save energy and live a low-carbon life, and foster a culture of energy conservation and low carbon.
- CR Enterprise organized activities in Hong Kong to promote frugality and oppose wastefulness. CR Logistics educated warehouse employees and stakeholders on the green office concept advocated by the Hong Kong Environmental Protection Association. Meanwhile, Pacific Coffee Hong Kong continued various "plastic reduction" initiatives at its stores, encouraging customers to embrace the mindset of environmental consciousness anywhere, anytime.



■ CR Power's Cangnan No. 1 Offshore Wind Power Project is the first affordable offshore wind power grid-parity project in China. The project equipped with 10MW wind turbines adopts ultra-long blade technology and an intelligent control system, integrating high towers with the coordinated control technology of wind storage. It is expected to save approximately 422,000 tons of standard coal, reduce carbon dioxide emissions by 1.08 million tons, and conserve 4 million cubic meters of freshwater annually. Additionally, it will decrease the corresponding discharge of greywater and thermal discharge, yielding significant economic and environmental benefits.

Accelerating the Promotion of Green and High-quality Development

Continuously Optimizing Industrial Structure

We developed low-energy-consuming businesses, limited or phased out high-energy-consuming businesses and products, actively promoted clean production in key industries, and accelerated the transition to green and low-carbon practices. In 2024, the Group's low-energy consumption business output value in the fields of gas, real estate, property, medicine, medical care and other fields increased by 2.6% compared with 2023.

CR Power

It has strived to adjust its business structure, accelerate the development of renewable energy sources such as photovoltaics, hydropower, and wind power, and engage in the construction of national clean energy bases, significantly increasing the installed capacity of renewable energy. In 2024, approximately 7.788 million kilowatts of new grid-connected renewable energy capacity were added, reaching the total capacity of 35.27 million kilowatts, with controllable installed capacity of renewable energy accounting for 48.86%.

CR Building Materials Tech

It has put earnest effort into developing low-energy-consuming aggregate and functional building material businesses. In 2024, new aggregate production lines were added at clinker bases such as Shangsi Cement, Tianyang Cement, and Guigang Cement. By the end of 2024, the proportion of the new materials business steadily increased to 15.06%.

CR Beer

It has continued to adjust its industrial structure and optimize production capacity. In 2024, three efficient production lines were newly constructed at the factories in Jinan, Liangshan, and Heineken Xiamen, with 1.5 million tons of annual capacity newly added, while the Binzhou Factory was optimized and shut down. By the end of 2024, a total of 39 inefficient production factories had been closed.

Implementing Energy-Saving and Emission-Reduction Transformation

We strived to promote the application of new technologies, new equipment, new materials, and new processes for energy conservation and emission reduction to drive efficient energy-saving transformations at our best effort. In 2024, the Group endeavored to implement energy conservation and emission reduction transformation projects with an investment of approximately RMB2.2 billion in aggregate.

CR Power

With an investment of RMB1.1 billion, it completed 4 "the linkage between three types of transformation" projects in Dengfeng, Jiaozuo, Shenyang and Bohai, as well as the comprehensive efficiency improvement transformation of Hezhou Power Plant units. Moreover, energy efficiency management was implemented at five power plants, including those in Yunfu and Ningwu to focus on the optimization of coal blending, operational methods, comprehensive equipment management, heating methods, and deep peak regulation, thereby reducing coal consumption for power generation.

CR Gas

Chongqing Yurun Energy Services Co., Ltd.'s BOE B12 and B8 projects represent the largest distributed energy projects in the semiconductor industry of China. Through the BOO model, it provided energy services such as chilled water for air conditioning, domestic hot water, and partial electricity supply to owners. Natural gas has been utilized in a tiered manner in the projects, supplying electricity through gas generators while recovering waste heat for cooling via the lithium bromide absorption chiller. An average annual comprehensive energy utilization efficiency achieved 78.46% with a total energy-saving rate of up to 26.42%.

CR Mixc Lifestyle

Adopted smart energy-saving solutions, it completed energy efficiency enhancements for the cooling towers at the Shenzhen Mixc, saving up to 680,000 kWh of electricity annually. Additionally, it completed roof sun-shading film retrofits for ten projects, including those at the Chengdu Mixc and Nanchang Mixc, saving annual electricity of up to 3 million kWh for air conditioning systems.



■ Chongqing Yurun Energy's BOE B12 Regional Distributed Energy Project

Vigorously Promoting Clean Production

We have been vigorously promoting clean production through measures such as upgrading and renewing equipment and facilities, as well as strengthening source control to accelerate the transition to green production.

CR Building Materials Tech

At the Yangchun Factory, an investment of RMB17.3939 million was made for renovations, including the upgrade of air compressors, the addition of dust collectors at clinker transfer discharge points, and the upgrading of cooling machines, achieving synergistic efficiency enhancement in energy conservation, pollution reduction, and carbon reduction.

CR Double-Crane

Limin Pharmaceutical proposed energy-saving measures prior to equipment procurement for the new solid workshop, which specifies the purchase of advanced energy-efficient systems such as integrated evaporators with magnetic levitation, heat-press distillers, and combined air conditioning units to improve energy utilization efficiency and reduce energy consumption.

Carrying out In-depth Battle against Pollution

We have been committed to enhancing pollution control at source, process management, and end-of-pipe treatment system improvements. We have equipped with pollution control facilities in compliance with the law, strengthened operational maintenance management, standardized self-monitoring of pollutant emissions, and ensured compliance in the configuration and operation of online monitoring equipment, which allows us to achieve stable emissions that meet standards, continuously advancing our efforts to improve the quality of air, water and soil.

Strengthening Waste Gas Pollution Control

- **CR Ng Fung's** Jiangxi Rice Noodle Factory has implemented a waste gas treatment improvement plan by sealing the boiler combustion system and adding spray devices. The sludge pool, sludge storage area, and sewage station have been fully enclosed to further improve effectiveness of waste gas control.
- **CR Jiangzhong's** Wanli Manufacturing Base completed the low-nitrogen transformation of the gas boiler in the solid preparation building of the Medicine Valley Base, taking the lead in achieving ultra-low nitrogen oxide emissions from gas boilers in the urban area of Nanchang City.
- **CR Building Materials Tech** discussed and determined the technical research and project application promotion of organized emissions, unorganized emissions, and clean transportation, comprehensively promoting the ultra-low emission transformation of cement clinker projects.
- **CR Chem-Mat's** Yantai Polyamide Spinning New Factory area and **CR Double-Crane's** Zizhu Facotry in Qinghuangdao implemented comprehensive treatment of volatile organic compounds to reduce volatile organic compound emissions.

Strengthening the Management and Control of Sewage Discharge Process

CR Beer

It promoted the brewery wastewater online monitoring and early warning platform and developed the mobile application for sewage online monitoring. Through the online monitoring information system, the headquarters, regions, and factories of CR Beer can monitor the treatment and discharge data of factory sewage in real time. In case of abnormalities, the system alarms in time, and the factories carry out emergency disposal, effectively improving the efficiency of abnormal disposal.



■ CR Beer Central Control Room Operating Platform

CR Chem-Mat

An investment of RMB480 million has been made for upgrading and resource utilization of the newly acquired Hanbang Petrochemical project, employing segmented and quality-based treatment of sewage to ensure stable compliance in chemical sewage discharge.



■ CR Chem-Mat's Hanbang Petrochemical Sewage Upgrade and Renovation

Strengthening the Whole-Process Management of Solid Waste

- **CR Beer** carried out standardized management of hazardous waste throughout the process, formulated hazardous waste list guidelines and hierarchical management requirements based on industry characteristics, built hazardous waste storage model rooms and promoted application, in order to comprehensively improve the standardization level of hazardous waste management.
- **CR Power** endeavored to organize qualified disposal companies to comprehensively utilize solid waste such as fly ash, slag, and gypsum, achieving a total utilization of 22.5603 million tons of general solid waste.
- **CR Micro** developed a solid waste disposal management platform that enables mobile front-end operations, with data processing handled via WebPC and server-side. This ensures full-process information management for sludge disposal, maintaining clarity and transparency for each stage.

Co-processing Social Wastes

We have explored new approaches for the disposal of social waste by utilizing cement kilns and coal-fired boilers in thermal power plants to co-process urban and rural domestic waste, municipal sludge, and hazardous waste. Therefore, we achieved the goals of "harmlessness, reduction and resource utilization", promoting harmonious and symbiotic development between enterprises and cities.

2024

- Nine thermal power plants under **CR Power**, including those in Haifeng and Guangzhou, disposed of **688,700** tons of municipal sludge throughout the year.

Jiaozuo Power Plant	disposed of 15,800 tons of waste carbide slag
Hezhou Power Plant	disposed of 97,800 tons of waste limestone slurry
Jinzhou Power Plant	disposed of 19,900 tons of white mud waste from paper mills
Gucheng Power Plant	disposed of 13,500 tons of traditional Chinese medicine dregs

- **CR Building Materials Tech** utilized cement kilns to co-process:

245,000 tons of domestic waste
830,400 tons of urban sludge
49,200 tons of hazardous waste



■ CR Power's Shenshan Company addressed urban challenges through energy utilization of sludge



■ Guangxi CR Hongshuihe Cement Co., Ltd. co-processed domestic waste projects with cement kilns

Promoting Green Transformation of Industries

Committed to the concepts of green, environmental protection and energy conservation, we have promoted the green and low-carbon transformation of key industries through innovation-driven initiatives and industrial collaboration.

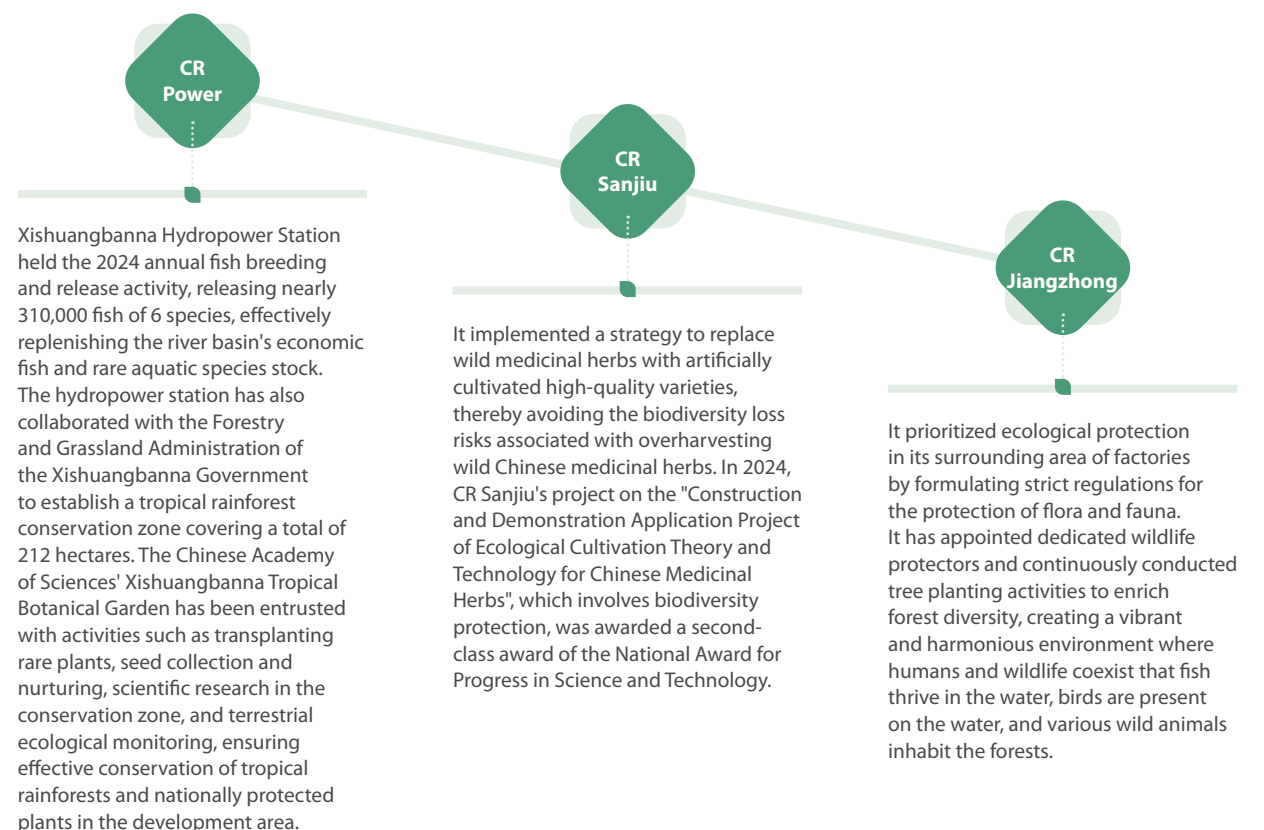


>> CR Land's Shenrun Building Project received LEED Gold certification



Protecting Biodiversity

Placing high emphasis on biodiversity conservation, we are committed to protecting local ecological environment and habitats of animals and plants during project development, construction and operation. We strictly implemented the requirements of the ecological protection red line, the environmental quality bottom line, the upper limit of resource utilization and the ecological access list, as well as the 'three simultaneities' system for environmental protection, and took proactive environmental restoration measures to minimize the impact of production and operation on the surrounding ecological environment, ensuring the harmonious coexistence between corporate development and ecological environment.



The fish breeding and release activity held at the Xishuangbanna Hydropower Station by CR Power



CR Sanjiu's Wild Chrysanthemum Planting Base in Jinzhai, Anhui



The Greater White-fronted Goose, a nationally grade-2 protected animal, inhabited in the lakes of CR Jiangzhong Medicine Valley

Strong Support for the Development of Environmental Protection Industries

In proactive response to the country's strategic deployment of green and high-quality development, we endeavored to support the development of the environmental protection industry, and leverage our capital advantages to promote energy structure adjustments by expanding the scale of the environmental protection industry and cultivating new momentum for the energy-saving and environmental protection industry. In 2024, the Group issued five green bonds with a total amount of RMB3 billion.

In order to deeply practice the national green development strategy, the Group jointly established the CR Recycling Group with the SASAC, China Baowu, Sinopec, Chalco and Minmetals, where CR Environmental Technology has been incorporated into. As a national-level resource recycling platform, the new company focuses on the core functions of resource recycling and reuse, undertaking the strategic task of building a nationwide resource recycling industrial system.

Promoting Green and Low-Carbon Production and Lifestyle

We strived for the advocacy of energy and resources conservation, promoting green and low-carbon lifestyle.

Chairman Wang Xiangming issued a sustainable development proposal on the National Ecology Day, urging all levels of the business units and employees to "prioritize protection and green development to demonstrate greater contributions in the new journey of building a beautiful China".



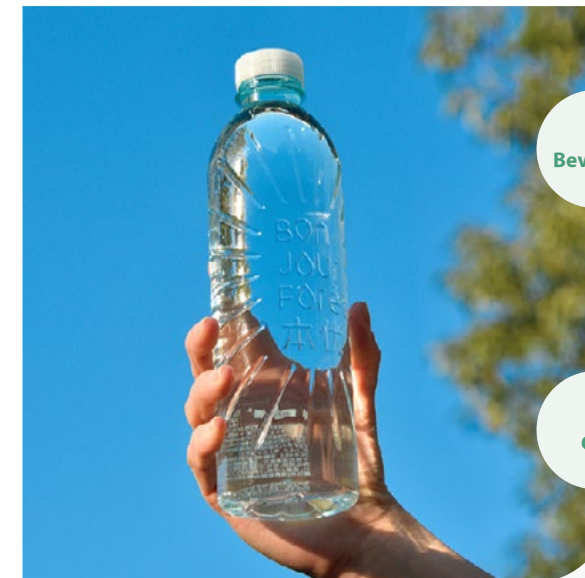
■ CR Sustainable Development Proposal



■ A low-carbon consumption area created by CR Vanguard

Olé has launched the themed activity "Sustainable Lifestyle Program", engaging consumers in interactive low-carbon activities. Customers were invited to participate in eco-friendly crafts, bottle recycling, and energy-saving bag designs, which raises public awareness of CR Vanguard's philosophy of green and low-carbon development.

The Shenzhen Company encouraged employees to take public transportation, subways, and other green travel options through the "Blue Planet" mini program, where employees earn points after establishing their own carbon accounts, thus embedding low-carbon concepts into their daily lives.



CR Beverage

The "Unbox and Reward" campaign was launched across China, encouraging consumers to actively collect cardboard boxes and plastic film to redeem C'estbon water. The brand name is directly embossed on the plastic bottles, and the label has been simplified to a transparent sticker the size of a business card, reducing the amount of label material used by 81%.

CR Gas

The subsidiaries under CR Gas proposed to organize a quizzing competition and innovation activity focused on energy saving, environmental protection and carbon reduction. Nanyang Gas Company encouraged employees to participate in the "Step to Prosperity" walking event organized by the Bank of Communications in Henan Province, guiding them to adopt a green production and lifestyle and spark a new low-carbon trend.

■ Bonjour Forêt under C'estbon

The Gaoxin Mixc in Shijiazhuang organized an activity for young members to use discarded coffee trays and coffee grounds to create flowers, promoting knowledge about waste utilization and energy conservation.

Langdong Hospital has prepared and issued a proposal related to energy conservation and emission reduction, while Jiangong Hospital distributed promotional materials to employees from various functional departments, guiding everyone to reduce elevator usage. WISCO General Hospital and Xi'an Aerospace Hospital have also implemented reuse activities, encouraging employees to start with small actions in their daily lives, practicing thrift and embodying the principles of green energy conservation.

DIS Microelectronics, a subsidiary of CR Micro, in collaboration with the labor union, organized the "Stay Warm with Old Clothes" used clothes recycling campaign. Unused old clothes were cleaned, recycled, and repurposed into woven bags, turning waste into treasure.



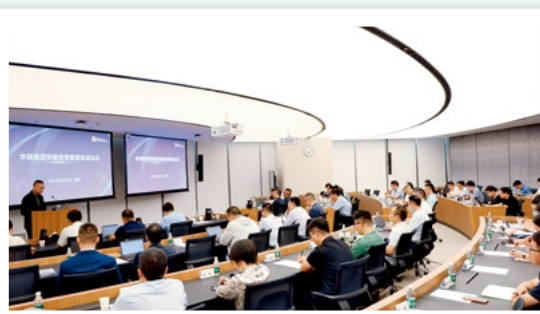
■ An environmental protection activity held at the Gaoxin Mixc in Shijiazhuang by CR Mixc Lifestyle

Carbon Management

Green Management

Organizing Carbon Neutrality Exchange and Training Sessions

We organized training sessions on the interpretation of national dual-carbon policy documents, including explanations and promotion of the "2024-2025 Energy Conservation and Carbon Reduction Action Plan", the "Interim Regulations on Carbon Emission Trading Management", and the "Proposal for Accelerating the Establishment of a Dual Control System for Carbon Emissions", in order to enhance the professional capabilities of our carbon management personnel.



■ Training session on CR's dual-carbon policies

A Robust Dual-Carbon Management System

We have developed an annual dual-carbon work plan and endeavored to promote its implementation, which includes comprehensive tracking management of our targets, quantitative assessments, and specialized training sessions on dual-carbon. We also facilitated on-the-spot experience exchange activities for low-carbon and zero-carbon project construction, and compiled and distributed the "Key Points for Carbon Management Inspection", with an aim to further establish and enhance our carbon management system, supporting the green and low-carbon transformation of our businesses.

The Group held an experience exchange activity for low-carbon and zero-carbon project construction at the Carbon Neutrality Factory of CR Snow Breweries Co., Ltd (CRSB) in Bengbu. Participants toured low-carbon and zero-carbon facilities featured with rooftop distributed photovoltaics, comprehensive utilization of anaerobic digestion and biogas recovery, and smart brewing technologies, gaining in-depth understanding of low-carbon and zero-carbon project construction.



■ On-the-spot experience exchange of low-carbon and zero-carbon demonstration project at CR

Strengthening Carbon Emission Data Management to Further Enhance the Quality of Data

We have prepared and published the "CR Key Points for Carbon Management Inspection" and launched the construction of the carbon emission information management system of CR, with an aim to establish a comprehensive and efficient data management system to enhance the quality of carbon emission data.



■ The Group kicked off a meeting for the carbon emission information management system

The Group has engaged internal experts to provide support and supervision for key emission enterprises under the business units such as CR Beer, CR Power and CR Building Materials Tech, guiding grassroots enterprises on strengthening their carbon emission management.

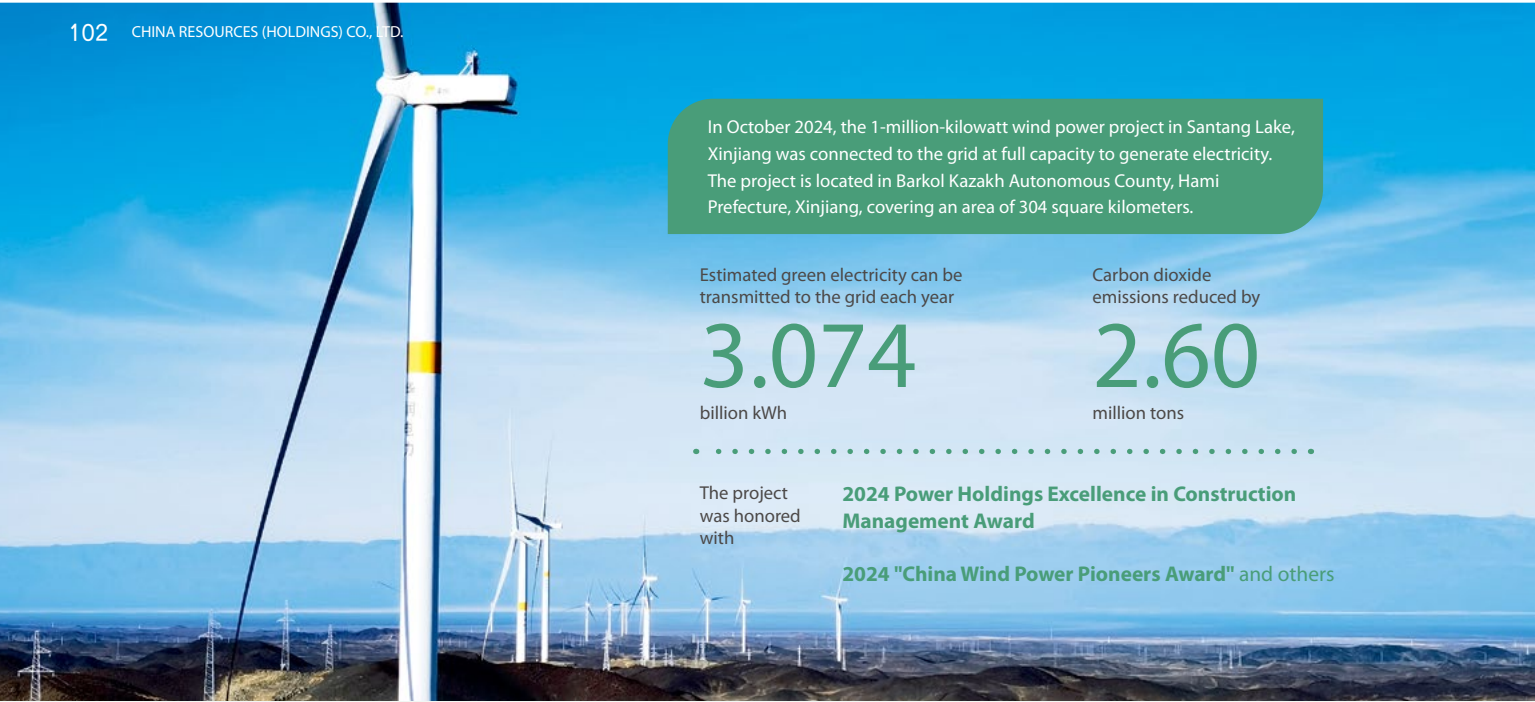


■ Carbon emission management inspection at CR Power

Completion of Carbon Emission Quota to Fulfill Compliance Tasks

We have coordinated the trading and compliance of carbon assets, ensuring that all thermal power companies successfully completed the compliance tasks of carbon emission quota fulfillment with high quality for the third compliance cycle of the national carbon market.

CR Power organized various thermal power plants to conduct analysis of surplus carbon quotas and annual compliance strategies, fully utilizing the offset mechanisms of the national carbon market and implementing CCER replacement. Comprehensive guidance was provided to each thermal power plant throughout the trading and compliance processes.



In October 2024, the 1-million-kilowatt wind power project in Santang Lake, Xinjiang was connected to the grid at full capacity to generate electricity. The project is located in Barkol Kazakh Autonomous County, Hami Prefecture, Xinjiang, covering an area of 304 square kilometers.

Estimated green electricity can be transmitted to the grid each year

3.074

billion kWh

Carbon dioxide emissions reduced by

2.60

million tons

The project was honored with

2024 Power Holdings Excellence in Construction Management Award

2024 "China Wind Power Pioneers Award" and others

Green Operation

Increasing the Development and Construction of New Energy Projects

We embraced the large-scale and high-quality development trend of the new energy industry and vigorously developed renewable energy. In 2024, CR Power added approximately 7.79 million kilowatts of renewable energy capacity, including on-grid onshore wind power, offshore wind power, and photovoltaic projects, with the controlled installed renewable energy capacity reaching 35.27 million kilowatts.

- In terms of large-scale onshore wind power and photovoltaic power construction projects, construction has commenced on 12.93-million-kilowatt new energy projects, including the Xinjiang-to-Chongqing Power Transmission's 4-million-kilowatt new energy project, the Hotan Prefecture 500,000-kilowatt photovoltaic project of desertification control, and the 480,000-kilowatt centralized onshore wind power project in Cao County of Heze City. The new energy projects of 7.79 million kilowatts were successfully completed and put into operation, including the 1-million-kilowatt wind power project in Santang Lake, Hami Prefecture, Xinjiang, the 400,000-kilowatt photovoltaic project in Hotan Prefecture and the 400,000-kilowatt photovoltaic project in Pishan County, Xinjiang. The total investment for the year amounted to RMB35.2 billion.
- In terms of offshore wind power construction projects, the Group has initiated the construction of the 700,000-kilowatt project in Lianjiang County, Fujian, and the 200,000-kilowatt Phase II expansion project in Cangnan County, Zhejiang. The Group secured the

development plans for the 350,000-kilowatt offshore wind power project in Zhangzhou County, Fujian and obtained the provincial management resource allocation rights for the 900,000-kilowatt project in Shanwei, Guangdong.

- In terms of distributed photovoltaic power generation and energy storage projects, a new investment of RMB4.1 billion has been started for construction on integrated energy projects such as distributed photovoltaic power and energy storage systems. The additional construction capacity amounted to 1,653,800 kilowatts, with a grid-connected capacity of 912,100 kilowatts. The 55MW / 110MWh energy storage project in Taizhou has already been put into operation. Several projects are currently under construction, including the 64.8MW green park distributed photovoltaic project for Dongfeng Commercial Vehicle, the 100MW / 200MWh independent energy storage project in Fuchuan County, Hezhou City, Guangxi, and another 100MW / 200MWh independent energy storage project in Neihuang County, Henan.

Deepening the Construction of Low-Carbon and Zero-Carbon Projects

Taking the construction of low-carbon and zero-carbon demonstration projects as the starting point, we promoted dual-carbon initiatives by encouraging grassroots enterprises to adopt advanced low-carbon and zero-carbon technologies such as construction of distributed energy, substitution of fossil fuels, application of efficient energy conservation technologies, and construction of energy management platforms. A total of 9 low-carbon and zero-carbon demonstration projects of the Group, including Sanjiu's Near-Zero Carbon Industrial Park in Guanlan,

Gas's Huizhou Daya Bay Zero-Carbon Station, Vanguard's Zero-Carbon Logistics Park in Fenggang, Vanguard's Olé Shenzhen Low-Carbon Experimental Store, Power's Xiantao Fishery-Solar Hybrid Project, Tianyang's Cement Green Low Carbon Benchmark Factory, Shandong Pharmaceutical's Commercial Low-Carbon Logistics Park, Nanchang Mixc Carbon Neutral Building and Beer's Carbon-neutral Plant in Bengbu, were gradually established.

Bengbu Carbon-neutral Plant of CRSB

Adhering to the "green and low-carbon, intelligent brewing, streamlined and efficient, and people-oriented" design and operation principle, Bengbu Carbon-neutral Plant of CRSB carried out intelligent brewing production by implementing over ten low-carbon and zero-carbon technical measures, such as comprehensive utilization of anaerobic biogas for sewage treatment, the integrated cascade utilization of heat energy across the plant, recycling and reuse of the fermentation byproduct carbon dioxide, installation of rooftop solar panels, and green buildings. The carbon emission intensity decreased significantly by more than 50%. The remaining carbon emissions were offset through the purchase of carbon credits, achieving carbon neutrality in its operations and obtaining carbon neutral certification, thereby setting an example for green transformation in the brewing industry and factory upgrades.



In February 2025, Shen Yueyue, vice chairperson of the National Committee of the Chinese People's Political Consultative Conference, led a special research team to conduct on-site inspections at CRSB's plant in Bengbu.



Graph of overall carbon reduction at the Bengbu Carbon-neutral Plant of CRSB

Carbon Neutral Building of CR Land Nanchang Mixc

Upholding the concepts of "green and livable, low-carbon and environmental protection", CR Land Nanchang Mixc has adopted technologies such as high-performance enclosure structures, efficient cooling systems, air source heat pumps, swarm intelligent controls, and rooftop distributed photovoltaics, achieving industry-leading energy consumption metrics. The project aims not only to reduce energy consumption and carbon emissions but also to balance out any remaining carbon emissions during its operational phase by procuring certified emission reductions. It is the first large-scale commercial shopping mall under operation in China to attain a carbon neutral building certification, as recognized by both the Chinese Society for Urban Studies and the China Real Estate Association. It was also honored with the Carbon Neutrality Building Distinction Project Award at the International Green Build Conference in 2024.



Carbon neutral building certification

Carbon Neutrality Building Distinction Project Award of the 20th International Green Build Conference

Strengthening Green and Low-Carbon Supply Chain Management

We continued to improve the green supply chain management system, guided green and low-carbon consumption and drove the upstream and downstream of the industrial chain to improve green and low-carbon management, playing a leading role in demonstration.

The Group has seamlessly incorporated green and low-carbon requirements into its supply chain management system by establishing systems such as the "Guidelines for CR Supply Chain Management", the "Guidelines for CR Green Procurement and Supply Chain Management", and the "Guidelines for Quality Control and Lifecycle Management of Purchased Products of CR". These guidelines cover the entire process from green procurement to production, recycling, logistics, and sales, monitoring the carbon footprint of the supply chain to mitigate environmental repercussions. The Group prioritizes environmentally friendly raw materials, products and services in procurement activities, integrates green and low-carbon indicators into the supplier evaluation system, encourages suppliers to develop green products and secures certification. It promotes the establishment of a green supply chain management system, gradually establishing a green supply chain.



■ During 7 to 8 November 2024, the 7th China Enterprise Forum was held in Beijing. Wang Xiangming, the Chairman, who attended the forum on behalf of CR, signed the "Green and Low Carbon Supply Chain Responsibility Enhancement Initiative for Central State-owned Enterprise".

CR Shandong Pharmaceutical's Commercial Low-Carbon Logistics Park



As the first intelligent low-carbon logistics park in the pharmaceutical distribution industry, CR Shandong Pharmaceutical's Low-Carbon Logistics Park has won the "ESG Low Carbon and Energy Conservation Award" from the China Association of Pharmaceutical Commerce for 2024, with its logistics warehouse receiving certification as a "Grade 1 Green Warehouse (3-star)" from the China Association of Warehouse and Distribution.

By establishing rooftop distributed photovoltaic power stations, solar streetlights, and intelligent energy management systems, upgrading air-cooling systems in green buildings, and promoting the electrification of logistics vehicles, the park has seamlessly integrated carbon reduction strategies into all operational areas, including lighting and temperature regulation. The park is committed to exploring innovative implementation paths for achieving energy conservation and low carbon within the pharmaceutical distribution industry.



■ Distributed photovoltaic power generation systems have been built on the rooftops of the logistics warehouses and comprehensive buildings in the park, generating over 1.6 million kilowatts of green energy annually.



■ Charging stations have been set up in the park for truck charging, reducing average annual carbon dioxide emissions by 334 tons.

Actively Promoting the Product Carbon Footprint Management

We actively promoted the quantification of product carbon emissions, conducted carbon footprint assessments for products, and comprehensively identified the carbon emission sources and reduction opportunities throughout the entire life cycle of products. We continuously drove the optimization of production processes, aiding enterprises along the supply chain in improving green and low-carbon management. It enabled us to produce more low-carbon products, deliver the concept of a green and low-carbon lifestyle to consumers, and contribute to accelerating the formation of a greener and more low-carbon production and consumption pattern in society.

CR Beer

The company launched a synergistic carbon reduction project within its value chain, completing its research on 55 core suppliers to evaluate their carbon performance and assess the carbon footprints of their main products. Based on the "ISO14067:2018 - Requirements and Guidelines for Quantifying the Carbon Footprint of Greenhouse Gas Products", the company has established a database for verifying the carbon footprints of 35 core products. It aims to identify strategies for reducing carbon emissions across the entire carbon footprint lifecycle of these products.

CR Land

The company conducted carbon footprint assessments and verification for purified water and actively participated in the formulation of three group standards: "Carbon Footprint Evaluation Criteria for Purified Drinking Water", "Carbon Footprint Evaluation Criteria for Natural Mineral Water", and "Carbon Footprint Evaluation Criteria for Carbonated Beverages", providing robust support for the establishment of a national standard system for carbon footprint in the drinking water industry.

CR Pharmaceutical Group

Dong-E-E-Jiao, a subsidiary of the company, has developed a thorough green procurement standard system and supplier management framework. It conducted carbon footprint assessments for the donkey-hide gelatin products and secured third-party certification, facilitating the recognition and execution of strategies aimed at lowering greenhouse gas emissions. The company was included in the Ministry of Industry and Information Technology's list of "Green Supply Chain Management Enterprises".

CR Jiangzhong

The company has taken the lead in the pharmaceutical industry in carrying out carbon footprint accounting and certification evaluation of Digestion Aid Tablets and Compound Caoshanhu Tablets.

CR Vanguard

The company actively promoted green product procurement, fostered a green and sustainable supply chain, and advanced the development and promotion of green and low-carbon items such as carbon-neutral certified products, organic foods, sustainable marine aquatic products, and environmentally friendly home cleaning products. It enhanced collaboration in green and low-carbon supply chains and collaborates with Mars Wrigley on the "Green towards Community Vitality" packaging recycling program.

CR Pharma-Comm

As the co-chair role of the "Decarbonization of International Trade" initiative, the company aims to promote the green upgrading of the pharmaceutical and medical industry chain, build a sustainable medical service system, and systematically advance the construction of a green medicine distribution network through initiatives such as launching low-carbon industry initiatives, developing intelligent logistics parks, sharing low-carbon technologies, and establishing standards for pharmaceutical logistics park construction.

CR Land

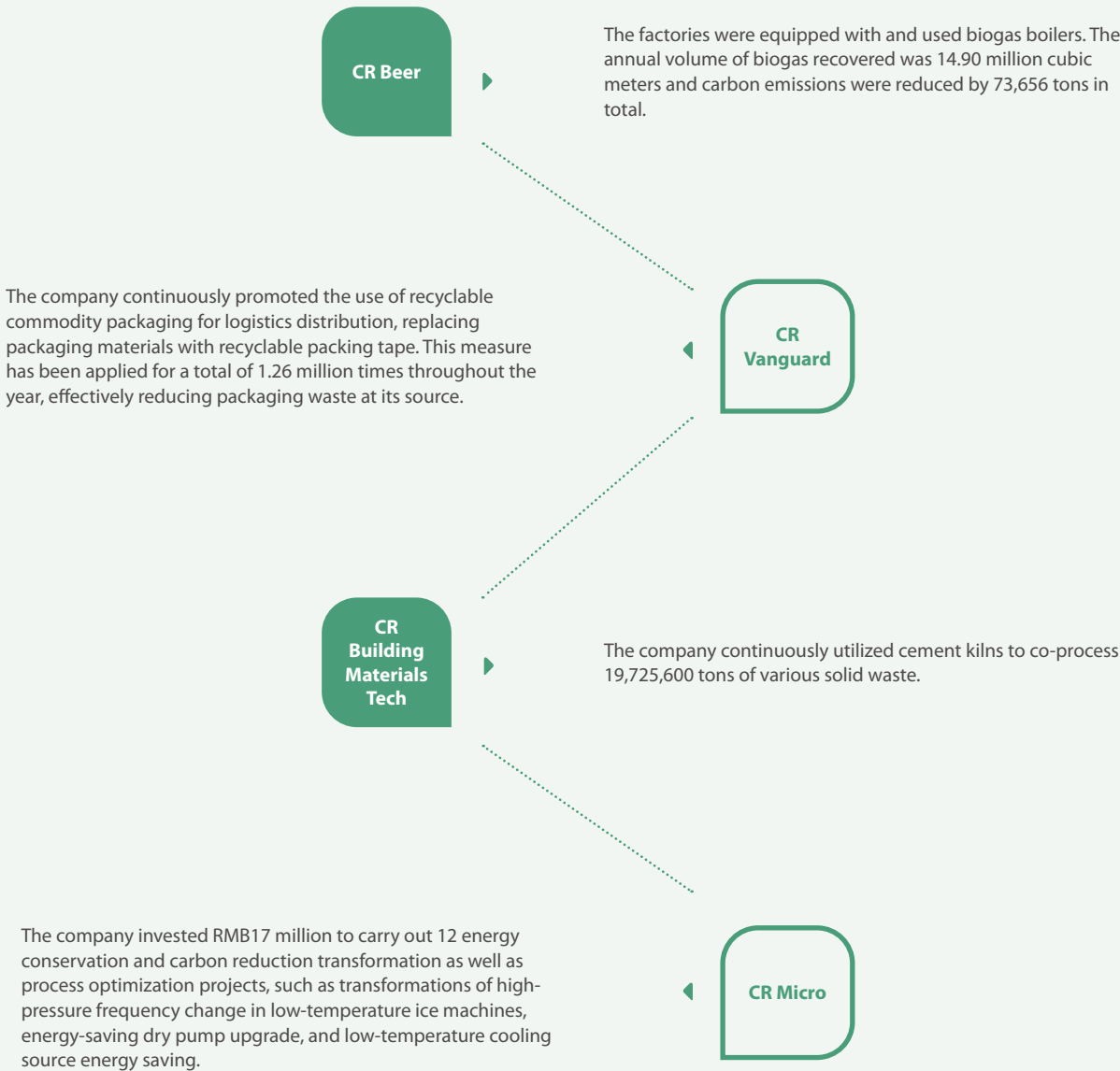
The company integrated green certification criteria into the tender documents for relevant categories in line with the national green building materials catalog. Suppliers are urged to obtain a certification post contract award in order to increase the proportion of centralized procurement suppliers with green certifications. By 2024, over 70% of the suppliers on CR Land's centralized procurement list obtained green certification.

CR Sanjiu

By increasing the significance of environmental and energy management indicators in supplier assessments, the company guided the green transformation of its supply chain and promoted its subsidiaries to adopt multiple low-carbon practices to comprehensively build a green supply chain.

Implementing Green and Low-Carbon Recycling Transformation

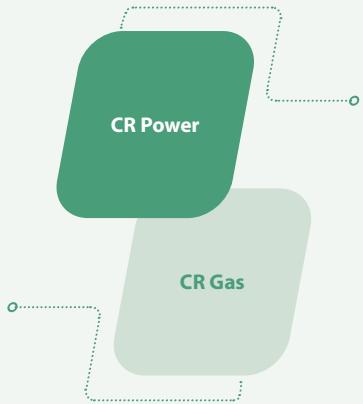
We continuously implemented transformations of energy conservation and carbon reduction to increase energy utilization efficiency across all production and operational processes. By establishing internal and external resource recycling, energy cascade utilization, and waste co-disposal systems, we promoted the coordinated development of social green recycling industries and improved the level of green low-carbon recycling production.



Carrying Out Dual-Carbon Technological Innovation

We have actively created an R&D environment that is conducive to green and low-carbon technology innovations, and set up incentive mechanisms and talent introduction mechanisms that are competitive in the market. By using technology breakthrough organization modes such as "Unveiling the List and Taking Command (Open Competition for Key Tech Breakthroughs)", we deeply explored the potentials of technology innovation in enterprises at all levels and promoted the realizations of key breakthroughs in critical green and low-carbon technologies.

The company deepened industry-academia-research collaborations, successfully applied for the Gas Engineering Technology Innovation Center of the Ministry of Housing and Urban-Rural Development and multiple provincial platforms, commenced the construction of the CR-Tongji Combustion Laboratory. The company implemented the special hydrogen energy projects of the Ministry of Science and Technology and completed the first domestic green methanol bunkering project for operating ships. The company obtained a proprietary invention patent for the methanol bunkering system and participated in formulating the national standard of methanol fuel for ships.



The company continuously deepened industry-academia-research collaborations, built a total of 5 laboratories and technology innovation bases and established new provincial scientific research platforms. 2 projects, including the world's largest six degrees of freedom testing platform, were selected as the national key R&D plans. The 100-MWh-class intelligent modular grid-forming energy storage system and the 300MW coal-powered multi-functional transformation technology were shortlisted into the first (set) of Major Equipment of the National Energy Administration. China's largest 18MW single-turbine offshore wind power project in Lianjiang has ranked among the "Top 100 Projects" by the SASAC. Also, the company actively led the formation of a central state-owned enterprise electricity equipment innovation consortium and advanced the R&D, demonstrations and applications of critical technologies such as compressed air energy storage coupled with phase regulators, biomass coupled with power generation, offshore wind power intelligent platforms and new photovoltaic power generation prediction systems.

In July 2024, CR Gas provided green methanol bunkering during the repairing of a methanol dual-fuel powered ship at the Yiu Luan Dockyards in Shenzhen, making it the first green methanol ship bunkering project in the Hong Kong-Macau-Greater Bay Area. The methanol bunkering pump skid device used in this project is self-developed by CR Gas and obtained national invention patent authorization.





CR Digital's Rmeet Cloud Video Conference System supported the opening ceremony of Hong Kong's "National Security Education Day" in 2024.

Green Workplace Practices

The Jiangmen Factory of CR Beverage launched the activity to turn off air conditioners 20 minutes earlier before leaving work



CR Beverage

Concepts of environmental protection were incorporated into daily work to cultivate the awareness of environmental protection in all employees. Concepts of turning off lights and tightening faucets were promoted, water-saving appliances and energy conservation equipment were used in the office area. Standards of air conditioner turn-on and temperature regulations were regulated to ensure air conditioner temperature in summer does not fall below 26 degrees Celsius. Automated office systems and video conference technologies were widely applied, with 4,434 video conferences convened in 2024, reducing 51,429 employee travels. In terms of operations, paperless office has been implemented, with annual paper consumption in 2024 decreased by 29.37% YoY and annual subscriptions of periodicals decreased by 35.1%.

We actively promoted the concept of green office, vigorously developed digitalized and intelligent office, advocated employees to make full use of network resources for cloud collaboration, and practice the concepts of energy conservation, consumption reduction and environmental protection in daily work.

The Group deepened the application of RunWork's online office tools such as instant communication, cloud documents, emails, approval platforms, signing platforms and RunScroll to create an efficient, convenient, green and low-carbon work mode. In 2024, 392,000 employees of CR worked on the RunWork platform, with 6.3 million documents shared in the cloud server, 300 million emails received and sent, 550,000 agreements signed online, and 110 million minutes of online meetings conducted.

By establishing the "Daily Inspections, Monthly Summaries, Quarterly Reports" management mechanism, closed-loop management was achieved. In terms of electricity use, employees were required to promptly switch off office equipment, computers, area lights, air conditioners and such before leaving work. The use of lightning was reasonable owing to the partitioned illuminations for electric lights, saving 2,873 kWh of electricity. In terms of printing, double-sided printing and electronic documentation were promoted, saving around 10,000 sheets of paper. In terms of water use, water wastage was reduced and drinking water was regulated, saving 24 tons of water as well as 124 barrels of water.

CR Ng Fung

Commitment and Performance

Commitment Made in 2024

The Group vigorously developed the clean energy business and continued to increase clean energy installed capacity.

The Group actively assumed social responsibilities, continued expanding the scale of social waste co-processing, and promoted the harmonious and symbiotic development of enterprises and cities.

The Group continued to increase investment in energy conservation and environmental protection, implemented energy conservation and environmental protection renovation projects, improved energy conservation performance and ecological environment protection levels, and ensured that the Group would complete the energy conservation and emission reduction targets set by the SASAC.

The Group carried out in-depth special inspections of the Group's ecological and environmental protection, and conscientiously carried out special inspections and rectifications of ecological and environmental protection issues to solve ecological and environmental problems and prevent and control ecological and environmental risks.

Commitment Performed in 2024

In 2024, approximately 7.788 million kilowatts of new grid-connected renewable energy installed capacity were added into the Group's power business and the overall scale reached 35.27 million kilowatts. The proportion of renewable energy equity installed capacity reached 48.86%. CR Building Materials Tech, Gas, Beer, Pharmaceutical and other businesses used the roofs of corporate plants, unused vacant land, etc., to develop and construct the use of distributed photovoltaics and increase the use of clean energy.

In 2024, the Group used cement kilns and coal-fired boilers in thermal power plants to collaboratively dispose of more than 1.96 million tons of solid waste.

In 2024, the Group invested RMB2.2 billion in energy conservation and ecological environment protection, and actively implemented energy conservation and emission reduction projects. The energy conservation and emission reduction indicators continued to improve. The energy conservation and emission reduction assessment targets for the 2022-2024 term set by the SASAC have been fully achieved.

In 2024, the Group established a special inspection team for ecological and environmental protection to carry out special ecological and environmental inspections on 39 grassroots enterprises to promote effective solutions to existing ecological and environmental problems.

The Group focused on key areas, organized and carried out special inspections and rectification of compliance issues relating to solid waste, environmental protection qualifications and certificates, as well as the automatic monitoring of pollution sources, and focused on eliminating eco-environmental risks at their sources.

Commitment Made in 2025

The Group will vigorously develop the clean energy business and continue to increase clean energy installed capacity.

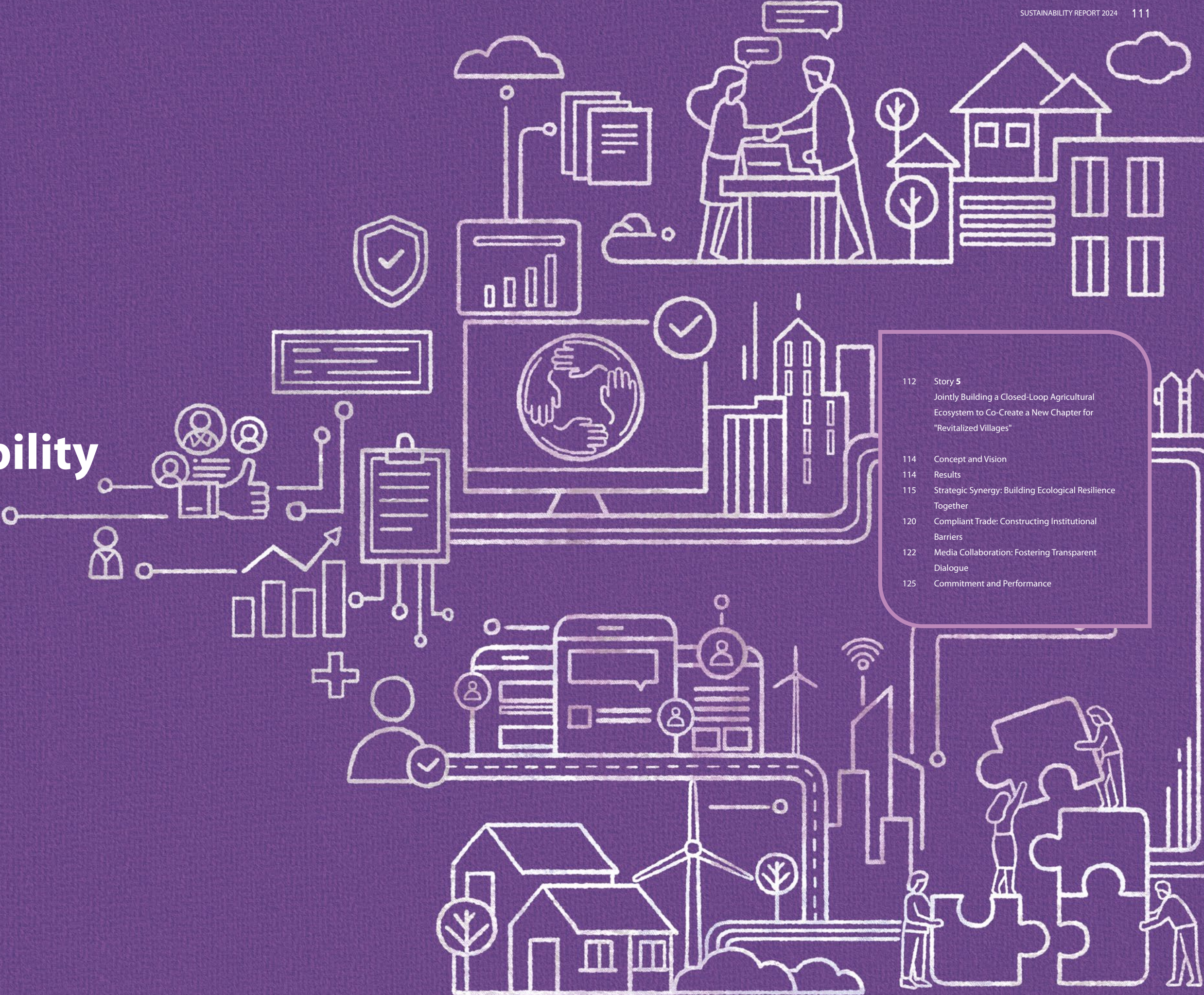
The Group will actively assume social responsibilities, continue expanding the scale of social waste co-processing, and promote the harmonious and symbiotic development of enterprises and cities.

The Group will implement the "Acceleration Plan for Green Development and Beautiful China Construction of CR" and continue to strengthen investments in energy conservation and environmental protection, carry out energy conservation and environmental protection projects, enhance energy conservation performance and ecological and environmental protection levels to ensure the Group will complete the energy conservation and emission reduction targets and missions set by the SASAC.

The Group will carry out in-depth special inspections of the Group's ecological and environmental protection, and conscientiously carry out special inspections and rectifications of ecological and environmental protection issues to solve ecological and environmental problems and prevent and control ecological and environmental risks.

Partner Responsibility

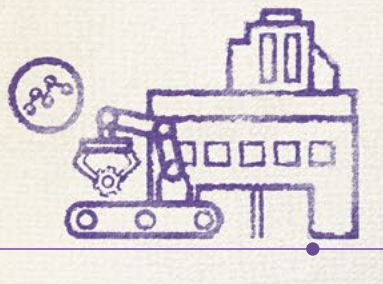
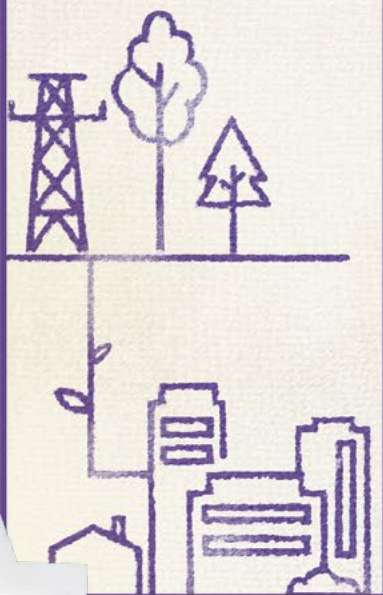
Creating a Healthy Ecology



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Story 5

Encountering Nature in the Countryside
and Co-creating a Beautiful Future



Partner Responsibility



Scan the QR code for the vlog of
Lotus Seeds, Creating a Shared
Value Chain



Jointly Building a Closed-Loop Agricultural Ecosystem to Co-Create a New Chapter for "Revitalized Villages"

Zhou Jianwu
Deputy General Manager of Fuzhou Jia Xin Zheng
Food Co., Ltd



"Encountering Nature in the Countryside and Co-creating a Beautiful Future"

"The green lotus leaves outspread as far as boundless sky; the lotus flowers reflect the sunlight in a striking red". Located in the southern part of Fuzhou City, Jiangxi Province, at the western foothills of Wuyi Mountain, Guangchang is known as the "hometown of Chinese White Lotus". During the peak of summer, thousands of acres of lotus fields bloom, creating a refreshing sight.

"Give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime"

Speaking of white lotus in Guangchang, Zhang Xufeng, Deputy General Manager of the supply chain management center of CR Vanguard, said, "white lotus in Guangchang is a protected product under Chinese Geographical Indication. The pure lotus root powder produced there known for its authentic taste and nutritional value is popular among the consumers."

Founded in 2012, Fuzhou Jia Xin Zheng Food Co., Ltd., a local private enterprise in Guangchang, primarily acquires lotus seeds and lotus roots from farmers as raw materials to process primary agricultural products into lotus root powder. "Our business scope is relatively simple, similar to traditional small workshop-style operations," said Zhou Jianwu, Deputy General Manager of the company.

"In Guangchang County, 110,000 acres of white lotus have been planted, which serves as the primary income source for local farmers. The county has established a dedicated department—the County-level White Lotus Industrial Development Bureau—to oversee and promote the growth of the industry," he added. As "Space Lotus No. 36" has been planted in Guangchang, it boasts an extended flowering and fruiting season as well as abundant lotus seedpods with an average of 17 to 18 plump and glossy seeds for each seedpod, weighing around 100 grams per 100 seedpods. On average, lotus seed yields range from 1,350 to 1,500 kilograms per hectare, with top-performing fields even reaching up to 1,800 kilograms.

In 2015, in response to the national rural revitalization strategy, CR Vanguard embarked on creating a new poverty alleviation



model directed with the "Farmer-Supermarket Direct-Purchase" approach. Leveraging CR Vanguard's supply chain system, this initiative fosters a close connection between markets and farmers, facilitating a seamless transition for agricultural products from farm to table through a streamlined "green channel".

The cooperation between CR Vanguard and "Jia Xin Zheng" began in June 2015. "CR Vanguard hopes to provide enterprises with vital support. 'Give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime'—this philosophy led to a significant leap forward for our company," recalled Zhou Jianwu.

Zhang Xufeng conducted a comprehensive analysis of the obstacles encountered by buyers and sellers. The white lotus industry in Guangchang is mostly comprised of individual enterprises that struggle with unstable and limited sales channels, leaving them vulnerable to market volatility and uncertain income. Differences in how farmers grow and set standards lead to inconsistent quality of white lotus, impeding widespread market penetration and falling short of meeting the demands of high-end markets. Moreover, the absence of brand promotion awareness and expertise among sales merchants has led to low market visibility, posing difficulties in boosting added value of products and sustaining a competitive pricing advantage. Meanwhile, consumers encountered challenges related to product quality and convenience of purchasing channels. Obtaining high-quality and authentic Guangchang white lotus offline was challenging, while verifying the authenticity of online purchases proved to be difficult, with potential damage during transportation.

"Therefore, we have adopted the cooperation model of enterprises + bases + farmers, forming an industrial chain that shares benefits among all parties involved," said Zhang Xufeng. By enhancing the quality and standardizing the production of specialty agricultural products, backing the establishment of agricultural support centers, and broadening the reach of rural e-commerce, this initiative has effectively strengthened the connection between farmers and markets.

"Upon signing a procurement contract with CR Vanguard at a reserved price, we gained assurance of secured income," mentioned Zhou Jianwu. It has instilled confidence in enterprises to pursue acquisitions boldly, leading to increased production scale, reduced costs, and enhanced market competitiveness.

The steady supply of Guangchang white lotus has met consumers' needs for reliable quality and traceability of provenance. Zhang

Xufeng emphasized that as consumer satisfaction and loyalty increase, this not only boosts sales but also enhances profitability, gaining "multiple business advantages in single action".

Building upon this foundation, CR Vanguard has introduced a range of self-branded products, including "Runzhijia" lotus root powder and the "Jia Xin Zheng" series of Guangchang white lotus. It has led to the establishment of a comprehensive industrial chain spanning from lotus seed cultivation to processing and lotus root powder production, expanding the diversity of local specialty items and driving the progressive advancement of specialty industries in Guangchang.

"Our lotus root powder range now offers a variety of products catering to diverse consumer preferences, such as osmanthus lotus seed and lily lotus seed. Moreover, they can add various nuts to their DIY creations," said Zhou Jianwu. The company has launched 17 kinds of products, including 6 star-flagship products, all of which have been widely embraced by consumers at CR Vanguard stores. Its annual income has also increased each year from the beginning of less than RMB20 million, with an annual gradual growth rate of 20%, and its sales reached a peak of over RMB60 million.

"CR Vanguard Revitalization Plan"

Our partnership with Guangchang County has a long history," Xu Zhijiang, Deputy General Manager of CR Vanguard, recalled that as early as 2002, the Leading Group of Poverty Alleviation and Development of the State Council had designated Guangchang County as the Group's paired poverty alleviation county, which is the Group's first paired poverty alleviation county.

Xu Zhijiang expressed that CR Vanguard, as a company deeply intertwined with people's livelihood consumption, has always upheld its mission of "leading consumption progress and creating better living together". The company has continuously aligned its development path with the overall national strategy to serve people's livelihood.

Under the guidance of the national rural revitalization strategy, CR Vanguard officially unveiled the "CR Vanguard Revitalization Plan" in 2019, which involves partnership with local governments and partners to establish direct procurement bases for fresh produce in impoverished areas. The plan aims to standardize farming practices, enhance product competitiveness, optimize supply chain construction constantly, build comprehensive operational capabilities across the entire value chain, and generate additional profit opportunities for farmers. Through a new measure of "providing fund while making profit", it seeks to achieve holistic rural revitalization.

As the project leader of the CR Vanguard Revitalization Plan, Zhang Xufeng outlined that in 2021, CR Vanguard was authorized to build the "CR Vanguard Revitalization Base" for Guangchang white lotus which accepts direct delivery from the place of origin through cold chain distribution. Since 2023, the company has shifted its focus to the products themselves, promoting a "one village, one product" strategy. By harnessing local resource strengths, a range of products highlighting distinct regional characteristics have been introduced into the market, which significantly bolstered the development of local specialty industries.

"We carried out promotional campaigns centered around the theme of 'Encountering Nature in the Countryside and Co-creating a Beautiful Future' to present premium specialty goods to consumers who delivered positive feedback," said Zhang Xufeng. In 2024, CR Vanguard's self-branded business introduced 15 products from Fuzhou Jia Xin Zheng Food Co., Ltd., mainly

covering lotus seeds, tea tree mushrooms, shiitake mushrooms, lotus root powder and cereals, among which three are newly introduced products, including black fungus, Jew's Ear and Silver Fungus. In 2024, the procurement amounted to RMB7.165 million, and the sales amounted to RMB9.470 million.

As a responsible central state-owned enterprise, CR Vanguard upholds a profound commitment to its responsibilities. Xu Zhijiang emphasized, "Serving as a sales platform, CR Vanguard bridges the gap between farmers and markets. Through collaborative efforts with our partners, we engage in comprehensive retail business cooperation across various levels and domains, leading to mutually advantageous outcomes. Also, we persistently refine our supply chain and pioneer new service models to furnish consumers with more enhanced and convenient service experiences and products, thereby bolstering the foundation of livelihood security."

"Development has entered the fast track"

CR Vanguard has strict requirements regarding the quality of its self-branded products, which also forces enterprises to continuously upgrade their products, procure new equipment and introduce professionals.

Pre-packaging is essential in the production of its self-branded products. This process includes utilizing granulators to transform white lotus into granular instant lotus root powder and employing metal detectors to detect any foreign metal elements, guaranteeing the quality and safety of the food. Zhou Jianwu explained, "We have invested in new equipment to enhance the standardization of our products and align with market regulations."

The company also dispatched employees to participate in training to understand various national standards and relevant laws and regulations and learn inspection and testing techniques to ensure that all products comply with the "Product Quality Law of the People's Republic of China" and the "Food Safety Law of the People's Republic of China". In this process, the company has gradually established a standardized management system and successfully obtained multiple certifications, including the ISO9001 quality management system certification and the ISO22000 food safety management system certification.

"In terms of resources and capabilities, our development has entered the fast track," remarked Zhou Jianwu. With the improvement of brand competitiveness, the company actively engages in the annual national private label fair in Shanghai every December to broaden its sales channels continually. To date, the company is in the process of requesting additional land from the county government to expand the factory premises and upgrade the production lines. The goal is to elevate the quality of "Runzhijia" products while extending the sales reach. Additionally, the company wishes to cultivate livestreaming and e-commerce business for its own brand "Jia Xin Zheng".

"This company is equipped with strong learning ability. Not only do the products undergo iterative enhancements, but talent cultivation and system refinements are also in a state of constant evolution", noted Zhang Xufeng. With the support of CR Vanguard, the company has gradually built its talent training and management system, attracting a number of well-educated, highly qualified, and highly proficient individuals in corporate management and product R&D. The establishment of a modern management, production, and R&D team in the initial stages has laid the foundation for diversified production as well as distinctive innovation development.

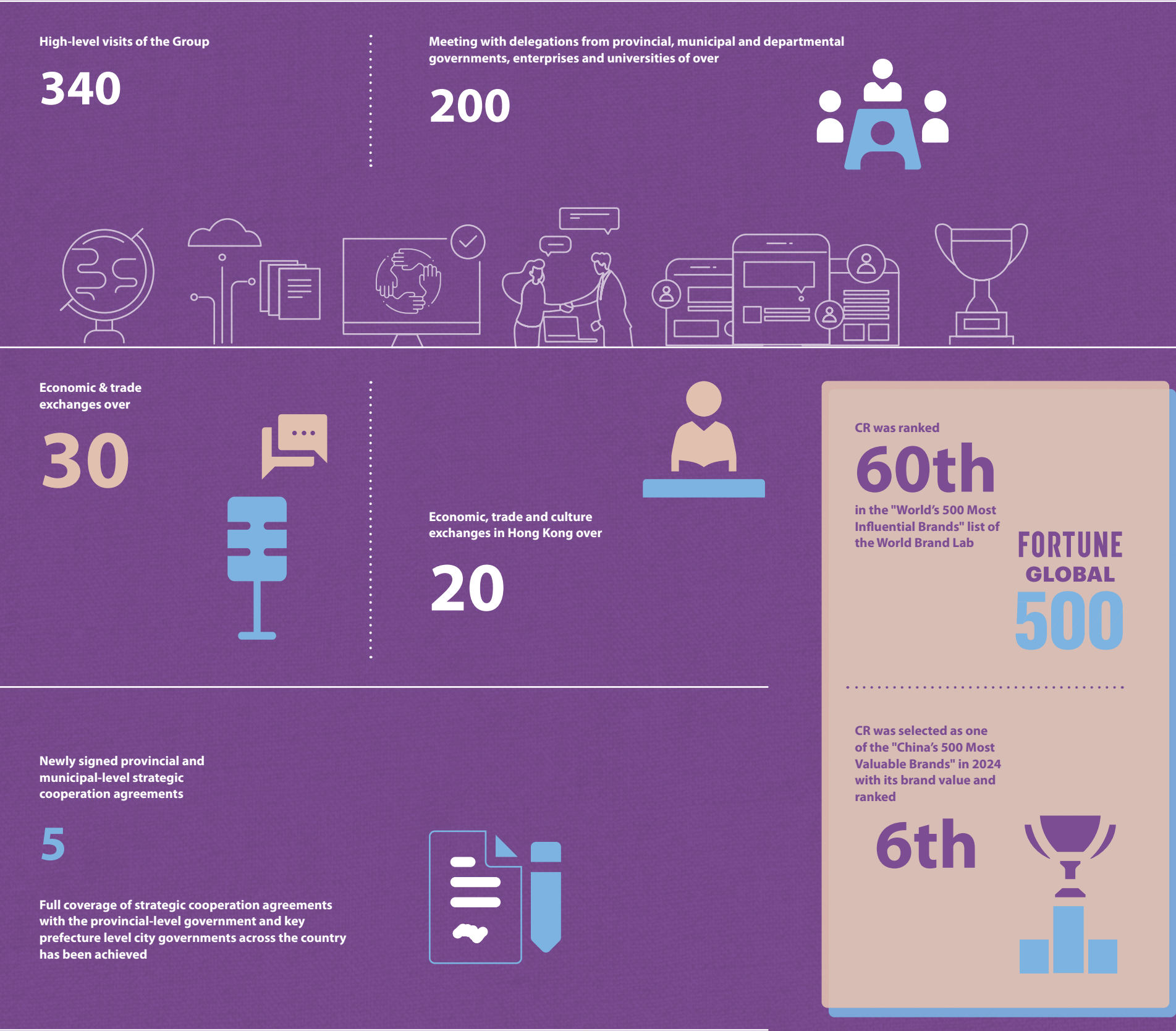
Concept and Vision

In the face of challenges such as slow global economic rebound, intensified geopolitical tensions, and climate change, CR has been committed to "win-win cooperation along with collaborative empowerment" as its core philosophy by enriching the essence of partner responsibilities in order to facilitate the enhancement of commercial ecosystem resilience. We cultivate resilience amidst uncertain conditions that we bolster innovation and concentrate on growth internally, while fostering an integrated social value ecosystem externally. CR collaborates with partners in a more open manner to achieve the alignment of commercial value and social value in serving national strategies and global sustainable development.

SDGs Responses



HKEX ESG indicators covered in this section: B5.1, B5.2, B5.3, B5.4, B6.3



Strategic Synergy: Building Ecological Resilience Together

Adhering to a win-win approach, CR has strengthened its strategic cooperation mechanisms, implementing concepts of mutual trust, shared resources, and collaborative development to foster a more stable partnership ecosystem. We work towards national strategies and drive regional development.

We have revised and officially published the "Management Measures of CR Serving National Strategies and Coordinated Development", with a focus on strategic regions including the Greater Bay Area, Beijing-Tianjin-Hebei, the Yangtze River Delta and the Chengdu-Chongqing Twin Cities. By leveraging the Group's leading position in different regions, we have updated the "Working Guidelines for Regional Leading Companies" of the Group and established a comprehensive meeting mechanism to drive the collaborative development of key investment regional businesses.

Strengthening Cooperation between Central and Local Governments

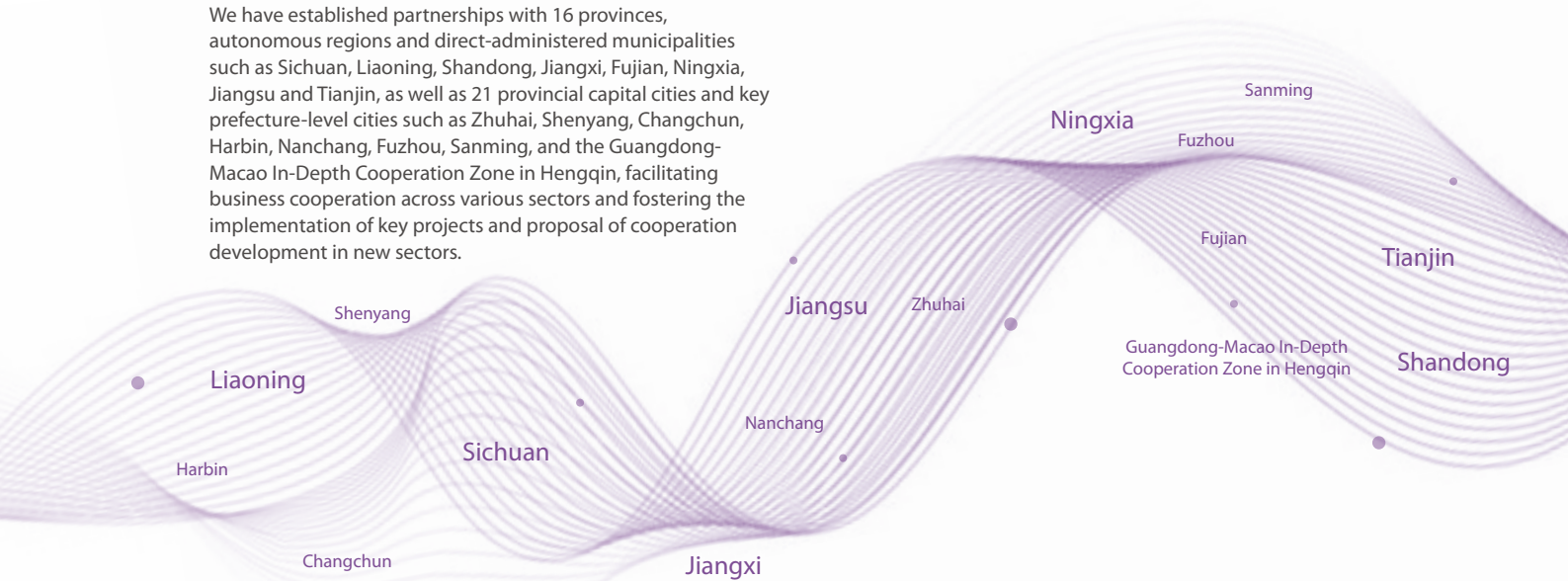
By promoting exchange communication as well as maintaining high-level engagement and close communication with local governments, CR has consistently fostered strong government-enterprise relationships. A total of 340 high-level visits were conducted by the Group throughout the year, fully utilizing the strategic value of senior interactions. Focusing on national and regional development strategies such as coordinated development of the Guangdong-Hong Kong-Macao Greater Bay Area and the Beijing-Tianjin-Hebei region, the Group conducted 37 government visits nationwide, spanning across China and reaching a historical peak.

Through visits and exchange by enterprise leaders, the Group sought to share opportunities, facilitate business cooperation, and drive development. In order to advance the execution of current key projects and explore new areas for collaboration, the Group has signed several significant strategic partnership agreements.

We have established partnerships with 16 provinces, autonomous regions and direct-administered municipalities such as Sichuan, Liaoning, Shandong, Jiangxi, Fujian, Ningxia, Jiangsu and Tianjin, as well as 21 provincial capital cities and key prefecture-level cities such as Zhuhai, Shenyang, Changchun, Harbin, Nanchang, Fuzhou, Sanming, and the Guangdong-Macao In-Depth Cooperation Zone in Hengqin, facilitating business cooperation across various sectors and fostering the implementation of key projects and proposal of cooperation development in new sectors.



CR entered into major project cooperation agreements with various municipalities across Shandong Province



Strengthening Cooperation with Central State-owned Enterprises

Aligned with the Group's strategic direction, we focused on key industrial sectors and paid close attention to the cooperation opportunities for professional integration, equity cooperation, project investment and strategic emerging industry projects. In 2024, the Group signed the strategic cooperation framework agreements with enterprises including PICC, Shanghai Exchange Group, China Baowu and China Rare Earth Group. The Group continued to promote the progress of contracted cooperation projects, among which effective advancements have been made with China Reform in areas such as strategic emerging industry funds, inventory of existing resources, and equity investments; the cumulative cooperation amount with PICC in CMBS, quasi-REITs, and public REITs has reached a new high; and significant results have been achieved in cooperation with China Telecom in Bestpay and other sectors.

In March 2024, the Group and Shanghai Exchange Group entered into a strategic cooperation framework agreement, pursuant to which both parties would capitalize on their individual strengths to carry out in-depth cooperation in different areas, including property rights listings, disposal of non-performing assets and zombie enterprises, mergers and acquisitions of strategic emerging industries, carbon market development, and modern services.

In May 2024, the Group and China Baowu entered into a strategic cooperation framework agreement, pursuant to which both parties would leverage their respective advantages to carry out in-depth cooperation in different areas, including the low-carbon building material industry chain, packaging material supply chain, clean energy, smart services, industry and urban integration, and industrial finance.

The Group entered into comprehensive strategic cooperation agreements with Bank of China, Agricultural Bank of China, and Industrial and Commercial Bank of China, laying a robust foundation for collaboration in financing credit, cross-border capital, industrial mergers and acquisitions, bond investments, green finance, and capital market operations. In order to enhance "top-to-top" coordination and cooperation, the Group has intensified all-round and in-depth engagement in key areas such as bond financing and policy-oriented loan merger and acquisition financing, with the goal of achieving mutual benefits.

CR and JD.com entered into a strategic cooperation agreement. Mr. Liu Qiangdong expressed his appreciation for the collaborative foundation established by both parties. In light of the historical opportunities presented by industrial upgrading and globalization, CR and JD.com are committed to establishing a standardized cooperation mechanism to facilitate comprehensive and cross-industry strategic collaboration.



In December 2024, the "Global Investment Promotion Conference" was held in Shenzhen. Over 700 enterprises and institutions, including the world's top 500 companies, China's top 500 companies, listed companies, industry frontrunners, financial institutions, professional service providers, and chambers of commerce, attended the conference. Mr. Wang Xiangming, the Group's Chairman, was invited to deliver a keynote speech at the conference.

Promoting the Integration of Industry, Academia and Research

In August 2024, we established the "China Resources Research Institute of Life and Health" to focus on the field of organoids and organs-on-chips. The objective is to develop a cutting-edge laboratory and construct a top-tier biobank to foster the advancement of the biopharmaceutical and medical health industry with a commitment to high-quality standards.

Meanwhile, the Group signed a memorandum of cooperation and a cooperation agreement with Southern University of Science and Technology (SUST) to jointly establish the CR - SUST Life and Health Research Institute; and signed a cooperation framework agreement with the Greater Bay Area National Center of Technology Innovation to jointly build an organoid and organs-on-chips research platform, supporting projects in the organoid and organs-on-chips field.

The Group continued to promote the technology R&D between CR and the Research Institute of Tsinghua University in Shenzhen, submitted 6 applications for invention patents in the laboratory, and published 1 SCI paper, facilitating the establishment of the achievement transformation plans for CR EnvProtection Laboratory and CR Micro Laboratory. CR Power Laboratory was awarded the third prize of the "China Occupational Safety and Health Association Safety Technology Progress Award" (provincial-level award) for undertaking the "Research and Application Project of the Unmanned System at the Cangzhou Heat Exchange Station".



Completion and on-site acceptance of the laboratory of CR Power

In terms of university collaboration in Hong Kong, we collaborated with The Chinese University of Hong Kong, Guangdong 999 Brain Hospital and CR Sanjiu to organize an academic seminar on the "Application of Organoid Technology in New Drug R&D". Meanwhile, China Resources Business School (Hong Kong) has launched the "Xelerator" - Hong Kong Young Entrepreneur Branding Program to deepen cooperation with multiple universities in Hong Kong across various fields including biomedicine, digitalization, artificial intelligence, new materials, ESG, and consumer products.

Driven by market demands and national needs, and under the principles of complementary advantages and shared results, CR has established an industrial cooperation network that closely integrates "industry, academia, research, and application" with external resources and expertise.

Our focus lies in establishing think tanks and collaboratively initiating projects. The Group entered into a strategic cooperation agreement with Qiushi Journal, pursuant to which both parties would engage in extensive collaboration to enhance academic journal publications, delve into case studies, pursue joint research topics, and exchange resources within the realm of think tanks.



CR entered into a strategic cooperation agreement with Qiushi Journal

The Group and China Executive Leadership Academy Yan'an (CELAP) entered into a memorandum of strategic cooperation aimed at harnessing CELAP's exemplary role in nationwide cadre education and training so as to further strengthen exchanges, uphold the spirit of Yan'an, preserve revolutionary traditions, and collaboratively enhance the quality of cadre education and training.

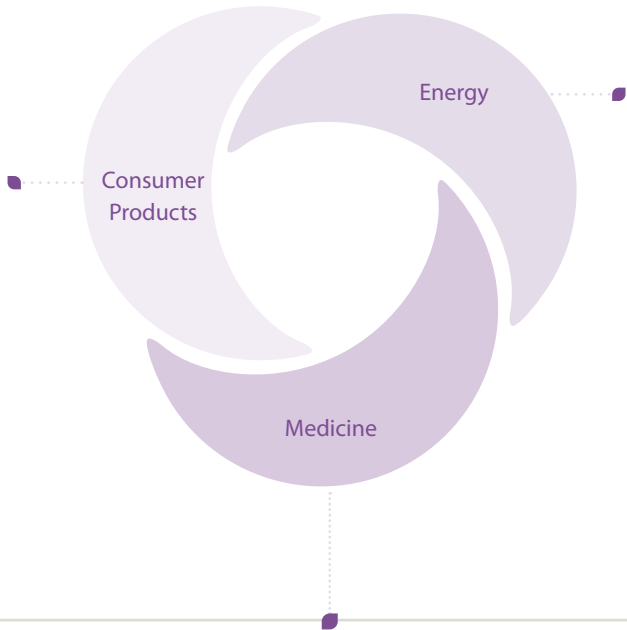


CELAP has established a teaching site at the China Resources Hope Town for conducting red-themed education and training programs.

Aiding Industry Development

CR Beer was accredited with the "Carbon Neutrality Factory" certification, demonstrating its leading position in promoting low carbon in the industry. In 2024, two factories of CR Beer achieved carbon neutrality certification.

CR Beverage participated in the preparation of seven group standards and successfully completed and published four such standards, including "Evaluation Method for Sensory Analysis of Chrysanthemum" and "Guidelines for Assessing Bitterness Intensity in Beverages and Alcoholic Beverages". In 2024, CR Beverage was honored to be one of the "Top Ten Enterprises in Packaged Drinking Water" in the beverage industry and the "Shenzhen Time-Honored Brand".



CR Power took the lead in the preparation of the first national standard for smart power plants of the thermal power industry, "Technical Requirements for Smart Thermal Power Plants, GB/T 44770-2024", which was officially published and implemented. This accomplishment addresses the absence in the domestic smart power standard framework.

CR Sanjiu participated in the formation of 1 international standard, 5 national standards, and 8 industry standards; and was elected as the chairman of the second session of the Chinese Medicine Intelligent Manufacturing Professional Committee of the China Association of Traditional Chinese Medicine. (Specific Case: The ISO International Technical Specification for Traditional Chinese Medicine, "ISO / TS 13126:2023 Traditional Chinese Medicine - LC-FLD-based Detection of Ochratoxin A in Natural Medicinal Products", was jointly developed by CR Sanjiu, Shenzhen TCM Manufacturing Innovation Center Co., Ltd., and the Institute of Medicinal Plant Development of Chinese Academy of Medical Sciences and has been officially published by the Standardization Administration of China (SAC).)

Dong-E-E-Jiao added 10 new authorized patents along with 5 software copyrights. It participated in the formulation of 23 standards and engaged in the successive revisions of the gelatinous Chinese medicinal standards in the Pharmacopoeia of The People's Republic of China and the enhancement work on the donkey-hide gelatin standard in the 2025 edition of the Pharmacopoeia of The People's Republic of China.

Chen Bo, the chief scientist of CR Pharmaceutical, and others were invited to attend the 2024 European Alliance of Association for Rheumatology (EULAR 2024) in Austria to participate in the industry academic research.

Activating Global Partnership Ecosystem

We have been proactively engaging in regular communication and maintaining contacts with various foreign-related departments such as the Ministry of Foreign Affairs, the Hong Kong and Macao Work Office, and the Bureau of International Cooperation of the SASAC. It allows us to leverage the current favorable conditions of returning to normalcy in economic trade and personnel exchanges, thereby revitalizing our global partnerships. The Group's leaders have undertaken visits to countries including the Netherlands, the U.K., Thailand, Singapore and South Korea to conduct on-site assessments of our overseas subsidiaries and collaborative ventures. During these visits, they have met with Chinese embassies or consulates to reinforce contact and cooperation. Furthermore, they have upheld close communication and exchanges with local partners, financial institutions, and universities.



Compliant Trade: Constructing Institutional Barriers

We pursue fair, transparent and sustainable trade relationships by opposing all forms of corruption and unfair competition and ensuring that our partners have equal opportunities for development. With the healthy development of the ecosystem as our goal, we fully implemented sunshine procurement, aiming to build a fair and healthy supply chain ecosystem.

Safeguarding Fair Competition

Anti-monopoly and anti-unfair competition management (the "Double Anti") is one of the fundamental functions of CR's legal compliance management. In 2024, we further revised and issued the Group's second-tier system, the "China Resources Group Management Measures on Anti-Monopoly and Anti-Unfair Competition Compliance" according to national policy developments. Seizing the opportunities established by the national policies, we moved along the trend, prioritized compliance and focused on resolving the pain points in crucial anti-monopoly industries and sectors to promote and consolidate the work of anti-monopoly compliance management across all business units.

We closely monitored the policy developments in the anti-monopoly sector, actively participated in and responded to the seminars and opinion solicitation activities conducted by the State Administration for Market Regulation regarding the fields of anti-monopoly compliance of undertakings and the inspection of concentration filings of undertakings. We also participated in the drafting work of China's first national standard in the field of fair competition, the "Specification for Fair Competition Compliance Management for Undertakings" (GBT45205-2024).

Respecting and Protecting Intellectual Property

Intellectual property (IP) work is essential for achieving brand excellence and innovation leadership. In 2024, we continued to implement the "14th Five-Year Plan" IP strategy, ensuring effective implementation of all initiatives.

The Group's Legal and Compliance Department and Technology Innovation Department, the Tsinghua Shenzhen International Graduate School and China Resources Modern Service Co., Ltd. jointly organized the "2024 Intellectual Property Rights Publicity Activity of China Resources Group" and issued the first "Intellectual Property Innovation and Development Report of China Resources Group" which, through detailed data and vivid cases, showcased the empowerment of IP creation, application, management and protection across the Group's six major sectors. CR Beverage, CR Longdation and CR Modern Service signed contracts with the Tsinghua Shenzhen International Graduate School, the Research Institute of Tsinghua University in Shenzhen and Shenzhen Angel Investment Guiding Fund Management Co., Ltd. respectively for cooperation projects of IP transformation and application, promoting high-quality incubation of technological achievements and innovation projects, and maximizing the efficient implementation of IP results transformation and application.

Establishing a Framework of First-Class Supply Chain Management System for Listed Companies

Developing a First-Class Concept of the Rule of Law

The Group's enterprises at all levels took "lawful compliance and not crossing the bottom line" as the core principle of their operations and management, fully covering the decision-making, execution and supervision aspects across the entire chain.

Establishing a First-Class Governance Mechanism

Building on the foundation of compliance, we achieved group-wide governance goals through a "rigid constraints + flexible management" synergetic mechanism. With the adoption of flexible "Guidelines + Directory + Operation Manuals" institutional system, we specifically formulated 13 supply chain management systems of the Group.

Designing Top-Level Procurement and Supply Chain

Based on its mission and position, CR conducted in-depth analysis of the development stages and supply chain features of 22 listed companies across 11 industries and innovatively proposed a three-in-one new supply chain management approach that integrates "rule-of-law as assurance, listed companies as carriers, industrial characteristics as orientation". We established a supply chain management system that emphasizes both standardization and flexibility. Driven by the organizational structure and strategic initiatives and using the "five first-class constructions" as an opportunity, CR facilitated

enhancements in the standards of the Group's procurement and supply chains, formed the "Procurement and Supply Chain Management Special Plan of China Resources Group" and formulated the "Guiding Opinions on Implementing the Decision of State-owned Assets Supervision and Administration Commission of the State Council to Strengthen Supply Chain Management", established a "rigid constraints + flexible management" synergetic management mechanism and formed 38 procurement and supply chain management institutional documents.

Managing Procurement

CR made proactive efforts in promoting centralized procurement, electronic procurement and open procurement, with relevant data indicators increasing year by year. It strengthened synergized development across business units, explored the establishment of green channels for technology innovation and procurement to support scientific and technological innovation; coordinated with relevant functional management departments to establish green channels for socially responsible procurement to support the Group and its business units to better fulfil social responsibilities; vigorously promoted e-commerce procurement, with approximately 400,000 e-commerce procurement orders in 2024, achieving a transaction volume of RMB1.65 billion, a year-on-year increase of 61%.

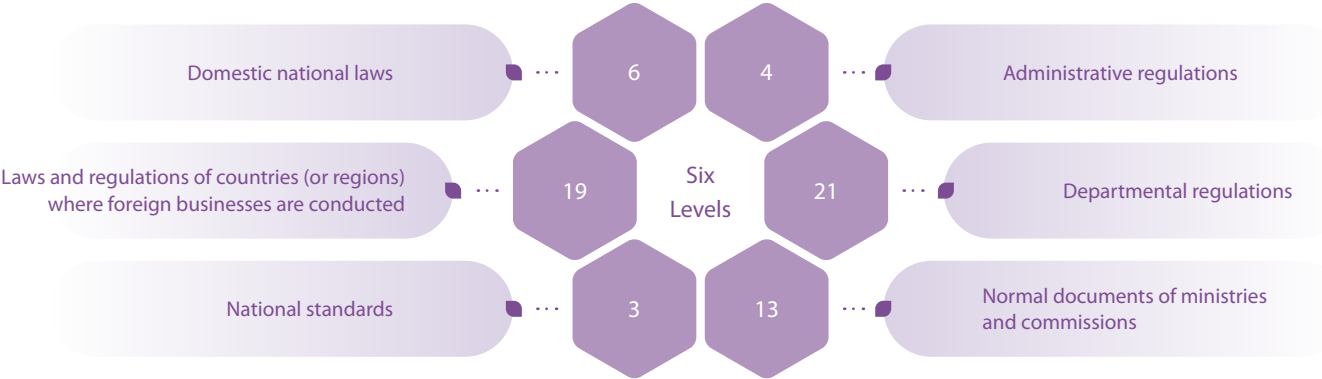
Protecting Suppliers'Basic Rights and Interests

CR issued the "Notice on Strengthening the Group's Procurement Support for Fulfilling Social Responsibilities", which vigorously supported the development of small and medium enterprises (SMEs) and ensured fair treatment among SMEs in procurement by setting reasonable basic requirements for procurement and encouraging prioritized fee payment arrangements of procurement contracts with SMEs. It also continued to facilitate the utilization of Shouzheng e-commerce platform in an efficient manner to create an open, fair and just procurement atmosphere.

Helping Suppliers to Grow

CR formulated institutional documents such as the "Supplier Management Guidelines" which stipulates management principles, main responsibilities of managing bodies at all levels and supplier management content. It encouraged more frequent communication with suppliers, timely feedback on assessment results and collaborative development of performance risk solutions to lower the risks and boost efficiency. CR encouraged

suppliers to develop two-way communication mechanisms to timely understand and identify any issues, effectively regulate and control the risks to ensure that supply chains are safe and stable. For the weak aspects of managing suppliers in collaboration, it provided guidance by organizing special training and establishing support systems in order to enhance management standards.



Basis of compliance for the six levels of CR's procurement and supply chain

Media Collaboration: Fostering Transparent Dialogue

Grounded in contemporary trends and deeply rooted in cultural heritage, we refined the brand management system and innovated multi-dimensional communication practices to continuously improve brand value and corporate core values. We steadfastly implemented the "Opinions on Promoting High-quality Brand Building for Central State-owned Enterprises in the New Era", fully and systematically advancing the relevant work of brand building.

In 2024, the "China Resources" brand was listed on the "World's 500 Most Influential Brands" again, ranking 60th globally, which further highlighted its dual breakthroughs in brand influence and cultural depth.

Focusing on Strengthening Brand Leadership

We fully acknowledged the strategic importance of brand building in promoting the Group's high-quality development. We stepped up organizational promotion and established a brand leadership action committee led by the Group to further strengthen organizational protection of brand building efforts. We convened special work meetings for the Group's brand leadership actions and thoroughly planned the working requirements for accelerating the creation of an excellent brand and supporting the Group better to become a world-class

enterprise. We formulated the "Brand Leadership Action Plan of China Resources Group" which outlines specific requirements for a comprehensive plan at five dimensions: "Brand Construction Working Principles, Key Brand Elements, Primary Objectives of Brand Construction among Each Business Sector, Healthy Brand Construction System to Improve Brand Management Functions, Focal Points and Specific Measures of Brand Building", among which 5 key tasks and 13 specific actions were archived for record.

Focusing on Improving Brand Management Level and Efficiency

We formulated and updated the "Brand Construction Regulations of China Resources Group" and the "Brand Management Measures of China Resources Group" to reinforce the brand leadership function. As the "China Resources Brand Visualization and Identification System" has been updated and issued, we designed file package (494 documents), consolidated VI standardized applications as well as brand visual foundation management. We sequentially initiated updates to two brand construction systems, the "China Resources Group Measures on Spokesperson Management" and the "Media Relations Work Implementation Rules of China Resources Group", in order to further adapt to the current media landscape and public opinion trends.

We continued to carry out the work of brand protection and uphold brand management as well as trademark and trade name usage standardization. The "China Resources" trademark was recognized as a "China Well-Known Trademark" 15 times by the Trademark Review and Adjudication Board of the State Administration for Industry & Commercial of the PRC. We endeavored to promote the protection of China Resources trademark and trade name publication by the State Administration for Market Regulation; strived to promote IP reserves; engaged in the application work of Well-Known Trademarks and China's Time-honored Brands to enhance brand values. Currently, the Group owns a total of 25 Well-Known Trademarks, 20,873 registered trademarks and 10 China Patent Excellence Awards, reaching a total of 11,542 patents.

Focusing on Strengthening Brand Influence

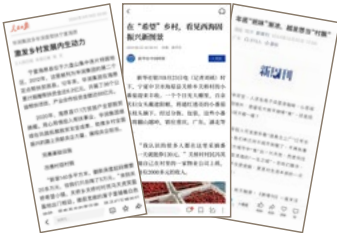
In terms of red gene inheritance

We planned, complied and published The History of China Resources (Volume 1). Through extensive archival research and deep on-site interviews, the book vividly described the important development history of CR from 1938 to 2000, offering a comprehensive and magnificent portrayal of CR's intertwined fate with China and its mutual growth with Hong Kong.



In terms of corporate social responsibility

We created a responsible brand image and further enriched the brand essence of the "China Resources" brand. In this regard, central media and new media such as Xinhua News Agency, People's Daily and New Weekly were invited to plan and promote the Group's spotlight achievements in social responsibility and rural revitalization, resulting in a series of reports such as "In the Village of 'Hope': A Glimpse into the New Scenery of Xihaigu's Revival", "Stimulating Rural Development's Intrinsic Strength" and "As Year-End 'Corporate Vibes' Grow Stronger, the Desire to Become a 'Village Drifter' Intensifies".



In terms of corporate culture

CR continued to explore the real stories of grassroots employees using the innovative short videos as a means of communication and created the "My Generation" corporate spirit short film series, which demonstrated CR's unwavering commitment in inheriting the red gene and embodying corporate spirit. The "My Generation" story film series has won the Excellent Works Award for Central State-owned Enterprise Core Values Thematic Short Films and the China Content Marketing Award.



In terms of corporate governance

Leveraging key important milestones and subjects such as the stated-owned enterprise reform efficiency and the interim results of the "14th Five-Year Plan" strategy, the Group published a signed article by Chairman Wang Xiangming with the title of "Accelerating the Construction of a First-Class State-Owned Capital Investment Company" on the People's Daily, demonstrating CR's thinking and explorations in accelerating the development of new quality productive forces, promoting transformations and upgrades in traditional industries as well as creating first-class corporate governance and brand leadership capabilities.

In terms of brand influence in the Greater Bay Area and Hong Kong

We co-produced the "No Poverty Land IV - the Belt and Road" with Televisions Broadcasts Limited (TVB) of Hong Kong. We also partnered with Phoenix TV to co-produce the large-scale cultural charity project "Hong Kong Nature Stories", featuring a television documentary film under the same name, popular science books, new media courseware, among which the documentary film "Never Too Late" and other series were derived therefrom. Through our partnership with the Hong Kong Arts Festival, we sponsored the performance of the "I Am What I Am" musical at the 52nd Hong Kong Arts Festival, attracting over 10,000 Hong Kong citizens and gaining popularity among them.



Managing Public Opinion and Addressing Public Concerns

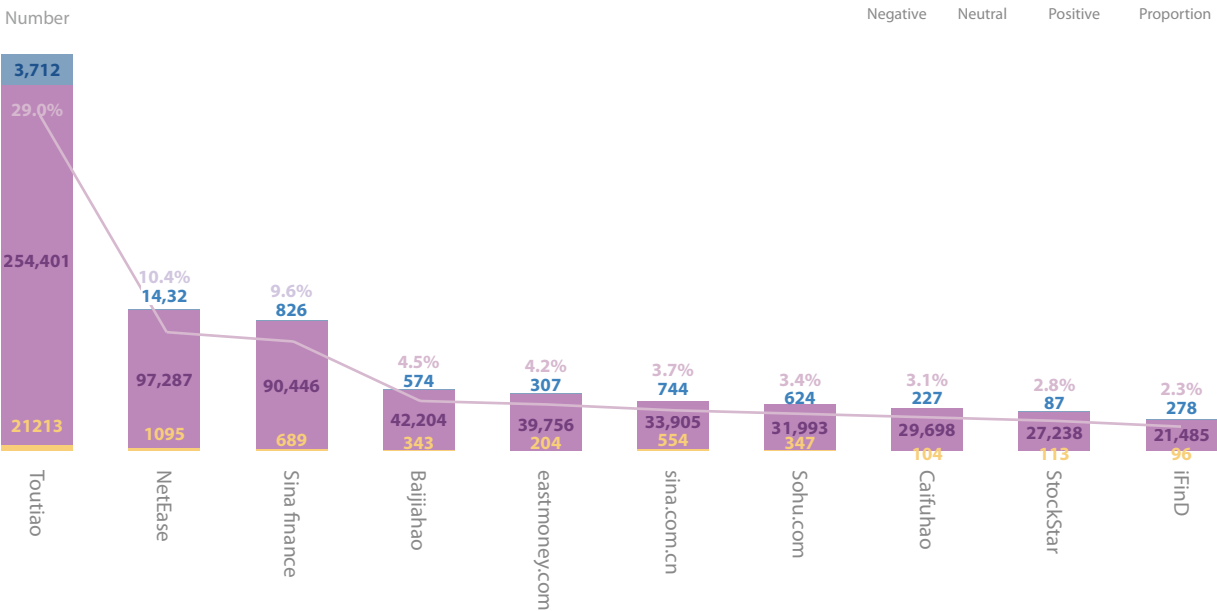
In 2024, the Group placed high importance on managing public opinion and further improved the public opinion management mechanisms and systems, and continuously optimized workflows to build a solid defense for the Group's stable operations and corporate image maintenance.

Throughout the year, there was a total of 4,629,000 pieces of online information related to CR and its subsidiaries, representing a substantial increase of 159.7% compared to 1,783,000 articles in the previous year. There were 54,000 pieces of positive information, representing an increase of 58.55% compared to the 34,000 articles in the previous year. The Group and its business units have garnered media attention and

reporting for their achievements in business development, fulfilment of central state-owned enterprise responsibilities, honorary commendations, and such, effectively boosting the enterprise's positive image.

Among these, the total volume of news and information on domestic and international news platforms was approximately 981,000 pieces, an increase of 51.6% from 647,000 pieces in the previous year. Negative information has increased compared to the previous year, which mainly involved customer services, product quality, safety incidents and such. Overall, the public opinion risks were manageable.

Distribution of News and Information Sources Related to CR in 2024



The Incident of Alternations in the Job Rotation Program for Management Trainee of CRBank

At the end of June 2024, netizens revealed that the job rotation program for management trainees of CR Bank has been altered, with the rotation period being extended from 3 months to 2 years. Those who do not accept will face contract termination with compensation. This subsequently sparked media reports and public concern. On the nighttime of 3 July, CR Bank issued an official response through Southern Metropolis Daily, stating that "as the job rotation program is still undergoing optimization and adjustment, the relevant personnel exhibited issues of insufficient clarity in descriptions and imprecise delivery of information. As of now, we have fully communicated and explained the situation to the management trainees of this cohort and gained their understanding". Afterwards, relevant topics of "# CR Bank responds to contract breach at campus recruitment #" and "# CR Bank breaks rumors of demanding breach penalties from graduates #" sparked discussions, but public opinion gradually returned to rationality.

The related information was reported and disseminated in a total of 2,202 articles (posts) across media outlets such as Beijing Business Today, The Paper and Beijing Youth Daily.

Upon monitoring relevant information, the Group's Publicity Department promptly contacted CR Bank to understand and verify the situation and established a task force to conduct public opinion monitoring and analysis and monitor public opinion trends closely. Simultaneously, the department implemented risk control at the source, strengthened communications and explanations with the management trainees, organized external expert meetings and consultations, formulated response guidelines and communicated with major media outlets to promptly address public concerns, guiding public opinion back to objectivity and rationality. The relevant public opinion quickly subsided, effectively reducing the spread and impact of negative sentiment.

Commitment and Performance

Commitment Made in 2024	Commitment Performed in 2024	Commitment Made in 2025
Aligned with significant regional strategies to optimize resource allocation and industrial layout, leveraged the "1+6" regional working group platform to deepen and elevate central-local integration, and implemented a series of major projects.	In 2024, the Group conducted a record-high 340 high-level visit activities in total, achieving full coverage of government strategic cooperation agreements with provincial first-level governments and key prefecture city governments across China except for a few regions such as Qinghai and Tibet. By leveraging regional work groups and the chief representative mechanism, the Group deepened central-local and central-enterprise cooperations.	To deepen the advancement of breakthroughs in key core technologies, foster industry-academia-research integration and development, strengthen scientific research cooperations with national laboratories and top-level universities, and accelerate the pace of digital transformation.
Recognized the significance of strategic new industry investment in optimizing the Group's industrial structure, increased the strategic capital expenditure tilt, identified projects that align with the Group's strategic new industry plan, focused on major project acquisitions, established a leading position in key strategic new industry sectors, and created a sustainable ecosystem for the continuous development of strategic new industries.	In 2024, the Group achieved high-quality completion of its comprehensive objectives and missions, created major breakthroughs in strategic new industries and science and technology innovations, and harvested significant gains from the mergers and acquisitions in key sectors. The Group's general R&D investments increased throughout the year, with 2 enterprises being selected as national "specialized and innovative" small giant enterprises.	To explore further potential, expedite resources allocation and planning for strategic new industries, and leverage strategic new special projects to cultivate significant development outcomes.
Further refined the procurement management system, strengthened daily compliance oversight, optimized procurement mechanisms, and enhanced business efficiency and effectiveness.	In 2024, the Group improved the procurement management mechanism to unify centralized management and avoid non-compliant procurement practices. In the 2024 special inspection conducted on the Group by the National Audit Office, no issues were raised regarding the sectors of tendering and procurement.	To continuously strengthen procurement management institutional systems, mechanisms and construct platforms to further identify procurement risks and align them with the corresponding systems and measures.
Elevated the security and resilience of the supply chain, reinforced strategic material reserves, implemented comprehensive punishment for suppliers on the blacklist across all areas, fostered a fair competitive environment, and protected the rights of small and medium-sized suppliers.	The Group built a first-class supply chain management system framework for listed companies, systematically promoted optimizations in procurement and supply chain management. By using brand new AI technology, the Group empowered the quality and efficiency of supply chain management platforms to be enhanced.	To continuously strengthen the construction of a "three-in-one" supply chain management system from multiple aspects such as systems, institutional mechanisms and talent cultivation.
Integrated the heritage of the red gene into all aspects of work, strengthened the management of public opinion platforms, leveraged internal and external resources to expand the influence of communication, and enhanced the CR brand image; standardized brand construction work, deepened the new media communication matrix, advanced the writing of The History of China Resources (Volume 2) to further enhance the brand's reputation.	The Group fully advanced the related work of the "Opinions on Promoting High-quality Brand Building for Central State-owned Enterprises in the New Era", established a brand leadership work group led by the Group, deepened brand communication channels in multiple dimensions, and published multiple productions of its brand image, including the "The History of China Resources (Volume 1)", short video series "My Generation", "No Poverty Land IV" and "Hong Kong Nature Stories".	To deepen the implementation of red gene inheritance special plans, deeply explore the rich connotation and contemporary value of CR's red genes, and create brand products tailored to the Hong Kong environment.

Public Responsibility

Driving Constructive Change for Communities

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Story 6

CR Longdation's Contribution to Improving Hong Kong's People's Livelihood

Story of Responsibility



Zhang Yulong
General Manager of CR Longdation's Integrated Property Management Platform

Deepening Grassroots Engagement to Advance Livelihood Enhancement in Hong Kong

Public Responsibility



Scan the QR code for the vlog of CR's Solution to the Improvement of Hong Kong People's Livelihood



CR's Silent Care

On 30 May 2025, the International Mediation Institute Convention Signing Ceremony was held in Hong Kong. The International Mediation Institute, as the world's first intergovernmental legal organization dedicated to resolving international disputes through mediation, serves as a vital mechanism for upholding the principles and objectives of the United Nations Charter. Its designated location is Hong Kong's former Wan Chai Police Station, situated opposite the China Resources Building. "Starting from July 1, CR Longdation will undertake the facility management service contract for the preparatory office of the International Mediation Institute", stated Zhang Yulong, General Manager of CR Longdation's Integrated Property Management Platform. He emphasized that securing this contract holds significant importance for CR Longdation.

Joint Building Management Enhancing People's Livelihood

During the "14th Five-Year Plan" period, CR Longdation focused on "major people's livelihood", continuously expanding its business footprint. In 2022, the company successively completed the acquisitions of Hong Kong-based property management companies Synergis Property Management and Pioneer Management, establishing an integrated property management platform, unifying three companies into one team and transitioning from parallel collaboration to full integration.

As General Manager of the integrated property management platform, Zhang Yulong expressed a deep sense of responsibility. He stated, "Rooted in serving Hong Kong residents, we are committed to enhancing the quality of life for residents, actively creating grassroots employment opportunities, and assisting the government in advancing various social and public policies, which is fundamental to fulfilling our public responsibility".

Zhang Yulong highlighted that CR Longdation's proactive efforts in property management and community services have contributed to numerous livelihood projects in Hong Kong. "Three-no buildings", referring to buildings without owners' corporations, residents' organizations, or management companies, are a persistent challenge in Hong Kong's grassroots governance and livelihood assurance.

"These buildings face multiple ongoing issues", Zhang Yulong explained: aging infrastructure leads to frequent elevator failures and inadequate maintenance of water and electricity systems; poor sanitation results in garbage accumulation and blocked fire escapes; the absence of management fosters security risks, with no security personnel, surveillance systems, or access control, allowing unauthorized individuals to enter freely and increasing crime rates. Additionally, low owner participation and lack of professional maintenance perpetuate these unresolved issues.

Since 2024, CR Longdation has successively taken on joint building management projects for 23 "three-no buildings". Zhang Yulong revealed that this initiative is a tailored management model for "three-no buildings" and older single-block buildings. Through joint management, resource integration, and smart patrol systems, CR Longdation creates safer, more livable homes at reduced property management costs.

To address these challenges, CR Longdation assists owners' corporations in complying with various legal requirements, organizing regular owners' meetings, procuring

third-party liability insurance, and arranging annual fire safety inspections and electrical installation checks. With the consent of the owners' corporations, CR Longdation also provides additional property management services, such as security, cleaning, and minor repairs.

A "three-no building" in Tsuen Wan District was long plagued by persistent sewer blockages, with each cleaning costing HK\$2,000 and, at its peak, requiring three cleanings per month. After taking over, CR Longdation diligently followed up, investigated surrounding road ownership, and coordinated with government departments, leading to the Drainage Services Department undertaking excavation and repairs, fully resolving the sewer blockage issue. After adopting joint building management, residents have generally expressed satisfaction with CR Longdation's services, noting significant improvements in building management.

Additionally, through large-scale management, CR Longdation implemented unified arrangements for cleaning and waste collection, effectively enhancing the living environment and quality of older buildings. By establishing owners' committees and convening regular owners' meetings, the enthusiasm of residents for participating in management has significantly increased, fostering a more harmonious and orderly community atmosphere.

"We also developed a 'smart patrol system' equipped with multiple functions, including patrol route planning, real-time tracking, route prompts, real-time check-in reports, patrol error alerts, security staff scheduling, attendance records, and real-time issue reporting, revolutionizing traditional property management through technological means. Zhang Yulong explained that the system allows for planned patrol routes, real-time tracking of security personnel's locations and check-in records, and immediate reporting of facility damage or safety hazards. Automatically generated attendance reports optimize staff scheduling, reducing human errors, while real-time issue feedback shortens response times and improves handling efficiency.

He added that, in the joint building management project in Tsuen Wan District, CR Longdation provided a nighttime access control system for Sam Wo Building, replacing nighttime security personnel and saving residents approximately \$6,000 per month in costs.

A "Second Home" for Subdivided Flat Households

The "community living room" is a targeted poverty relief project proposed by Hong Kong SAR Chief Executive John Lee Ka-chiu in his 2023 Policy Address, aimed at improving the community environment for subdivided flat households. Currently, Hong Kong has six "community living rooms" across various districts of Hong Kong Island and Kowloon, with the To Kwa Wan "community living room" being the largest, boasting a total usable area of nearly 700 square meters.

"We feel a deep sense of responsibility when the SAR government proposed a government, business, and community collaboration to improve grassroots living conditions", said Zhou Ming, CR Longdation's Deputy General Manager. Zhou Ming visited numerous households living in subdivided flats and observed many families confined to cramped spaces, where children could only do their homework curled up by the bedside and residents had nowhere to gather for social interactions. He recognized that the community needed not just expanded physical space but a "living room" to foster emotional connections.



This philosophy is reflected in the design of the To Kwa Wan "community living room" in Hong Kong's Kowloon City District. The space is spacious and bright, with clearly designated areas for dining, leisure, and studying, fully equipped with all essential facilities: a shared kitchen with eight sets of cooking equipment and utensils, fully stocked with essentials, including condiments like oil, salt, soy sauce, and vinegar, and pots, pans, and bowls; eight washing machines and dryers to address the lack of drying space in subdivided flats; and six shower units providing hot and cold water, enabling grassroots residents to achieve "shower freedom".

Unlike other "community living rooms", this facility includes a modern music room and multimedia studio, equipped with instruments such as an electronic keyboard, guitar, and drum set, as well as professional editing equipment. "We hope young people's musical dreams can begin here", said Zhou Ming, Deputy General Manager. To promote a sharing culture and foster neighborly interaction, the To Kwa Wan "community living room" features a "Borrowing Corner", where residents can borrow various household items like electric drills, mini barbecue grills, and electric fans.

Around 2:00 p.m., the To Kwa Wan "community living room" gradually welcomed familiar faces. Long-time residents entered, warmly greeting social workers before heading to various areas to engage in activities. A retired elderly man put on his reading glasses and settled on a sofa to read newspapers; children played together in the game room; young people exercised on treadmills. With the Dragon Boat Festival nearing, the community provided free zongzi leaves, sticky rice, salted egg yolks, and pork belly, enabling mothers to prepare zongzi in the shared kitchen, filling the space with aromas.

In Kowloon City District, where old buildings abound, many nearby Hong Kong residents regard this as their "second home". Social worker Mr. Ho from the To Kwa Wan "community living room" noted that the facility is a 10-minute walk from areas with concentrated subdivided flats and is expected to serve approximately 90,000 people annually. "Since the 'community living room' opened, residents' feedback has been very positive, finding it highly practical", he said.

On the first floor of the living room, a space called "To Shan Alley" resembles a food warehouse, where residents can earn points by signing in daily or participating in activities to exchange for daily necessities like rice and laundry detergent. Mr. Ho explained that this creates a virtuous cycle of "community use, contribution, and rewards". Plans are also in place to provide a dedicated halal food counter for ethnic minorities and offer Chinese language classes, ensuring residents from diverse backgrounds receive tangible support.

Making Urban Life Better

Zhou Ming, CR Longdation's Deputy General Manager, emphasized, "CR's silent care, like a gentle breeze in the night, is our aspiration". To this end, CR Longdation strongly supports the NGO "Love Together", aiming to establish it as a premier social charity organization in Hong Kong, actively participating in major SAR government livelihood projects.

Zhang Yulong, General Manager of CR Longdation's Integrated Property Management Platform, expressed strong agreement. He highlighted several pioneering livelihood projects in Hong Kong that CR Longdation has participated in and supported. "CR Longdation builds and operates the first and largest 'community living room' project by a Chinese-funded enterprise in To Kwa Wan, participated in Hong Kong's first 'joint building management' project and the first 'construction industry migrant worker dormitory' project, and actively engaged in Hong Kong's first operational 'Light Public Housing' project at Yau Pok Road in Yuen Long, partnering with the government to enhance grassroots community living environments and foster a harmonious, inclusive, and caring community".

Additionally, the company has supported "Love Together" in implementing the "Ten Thousand Lights" program, dispatching volunteers to provide free replacements of energy-saving lighting for elderly and disadvantaged households in Hong Kong and to promote knowledge of safe electricity usage. As of December 2024, this program has replaced energy-efficient LED lights for nearly 8,000 low-income households in Hong Kong, conducted 50 electrical safety training sessions, benefiting over 26,000 people, achieved annual electricity savings of approximately 10 million kWh, and reduced carbon emissions by about 5,000 tons, simultaneously delivering social, economic, and environmental benefits, contributing CR strength to Hong Kong's green and sustainable development.

These livelihood projects have continuously enriched and innovated grassroots governance models in practice, effectively fulfilling corporate social responsibility, fostering a harmonious and caring community atmosphere, and enhancing the sense of happiness and fulfillment among Hong Kong's grassroots residents.

Zhou Ming stated, "The successful implementation of these projects provides a referenceable 'China Resources model' for Hong Kong's grassroots governance. In the future, CR Longdation will continue to align with the Hong Kong SAR government, collaborate with various sectors of Hong Kong society, and work hand in hand with Hong Kong residents to ensure that the warmth of a mainland Chinese enterprise based in Hong Kong is felt throughout Hong Kong society".

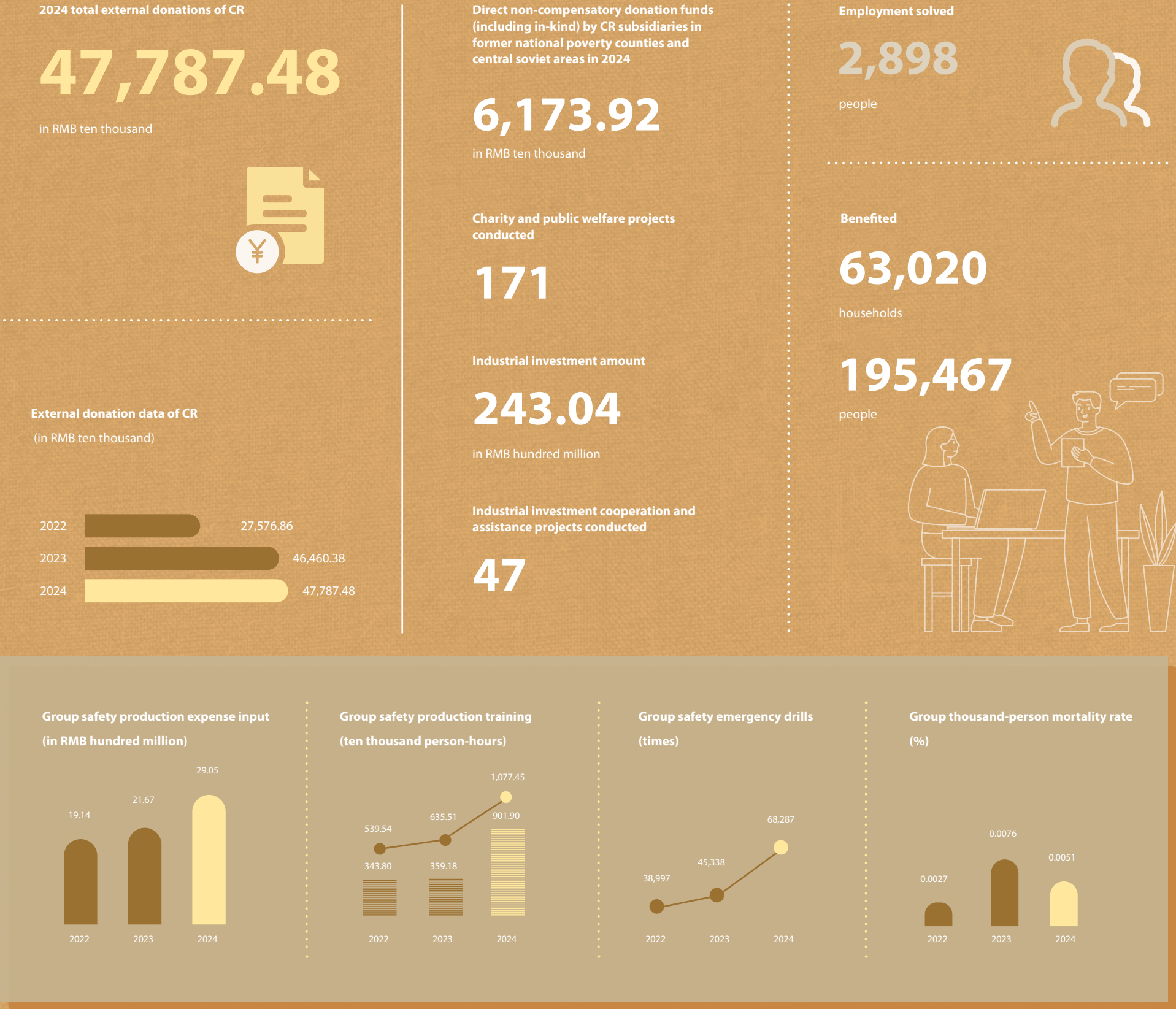
Concept and Vision

In advancing sustainable development, enterprises must build a community of shared future with mutual prosperity alongside the communities in which they operate. CR consistently upholds the principle of responsible corporate citizenship, proactively integrating with national strategic deployments, supporting community development, and promptly responding to public livelihood needs. In urban areas, CR deeply engages in community governance processes, while in rural areas, CR promotes practical initiatives for common prosperity, using CR strength to bring a better life to more people.

SDGs Responses



HKEX ESG indicators involved in this chapter:
A1.1 A1.2 A1.3 A1.4 A1.5 A1.6A2.1 A2.2 A2.3
A2.4 A3.1 A4.1



Cultivating the Gene of Love for Hong Kong and Serving the Hong Kong Society

As a Hong Kong-based centrally-administered state-owned enterprise born and grown in Hong Kong, CR remains steadfastly mindful of the "paramount interests of the nation", proactively advancing its work to serve the Party and the nation's overarching development goals. CR thoroughly implements the spirit of the 20th National Congress of the Communist Party of China and the Third Plenary Session of the 20th Central Committee, adhering to the "based in Hong Kong" strategic orientation. With a mission to promote the integrated development of Hong Kong and the mainland and support Hong Kong's long-term prosperity and stability, CR has continuously enhanced its industry standing and social influence in Hong Kong during the new phase of Hong Kong's transition from stability to prosperity, achieving notable success.

Reshaping Hong Kong Operations

In a critical period of global economic uncertainties and Hong Kong's economic transformation, CR remains resolute in integrating into the SAR's development. By activating market vitality through diverse business models and in partnership with the SAR government, we work together with the SAR

government to build industrial resilience to counter external risks. Synergistic effects in sectors such as finance, technology innovation, and consumption transform into sustainable growth momentum, driving Hong Kong's high-quality recovery through breakthroughs in structural challenges.



Strengthening Real Estate Development Efforts

The Group manages over 1.2 million square feet of commercial properties in Hong Kong. Four mainland Chinese brands were introduced, with Hotmaxx in Wealthy Garden achieving China's top performance in both single-day sales and sales per square foot on its opening day. Concurrently, the Group actively supports residential development projects in Hong Kong.

Deep Engagement in Northern Metropolis Development

The Group signed a "Letter of Intent to Support and Participate in the Northern Metropolis Development" with the Hong Kong SAR Government and was invited to join a task force with the Hong Kong and Shenzhen governments to align strategies for the Northern Metropolis development. The Group actively plans its participation, closely monitors and studies relevant policies and plans, and promotes business layouts in urban construction, logistics, and technology innovation.

Continuous Expansion of Property Management Business Scale

By the end of 2024, the Group managed 209,000 residential units, serving over 800,000 Hong Kong residents. Its scale of managed units, managed area, and parking lot management ranks among the top two in Hong Kong's property management industry.

Maintaining Industry Leadership in Traditional Businesses

CR Ng Fung's live animal distribution business leads the industry, with a market share of nearly 50% for live pigs and 100% for live cattle and sheep. Its slaughtering business holds nearly 80% of the market share. CR Logistics currently operates approximately 5.57 million square feet of warehousing space in Hong Kong, ranking third in the industry. CR Building Materials Technology ranks third in concrete sales and second in bagged cement sales in the market.

Active Development of New Energy and Gas Trading Businesses

CR Power, in collaboration with Kowloon Motor Bus and Sun Hung Kai, successfully launched a charging pile project. CR Gas established investment platforms in Hong Kong and overseas, as well as an international natural gas trading platform. The European-standard fully liquid-cooled supercharging station "Charge Wonderful" was put into operation in Hong Kong.

Expansion into Modern Service Businesses

The acquisition of SWCS Corporate Services Group (Hong Kong) Limited was completed, positioning the Group's business scale among the top three in Hong Kong's outsourced company secretarial services market for listed companies.

Supporting Hong Kong's Innovation and Technology

The Group took the lead in establishing the "Central SOE Platform for Collaborative Action to Support Hong Kong's Development as an International Innovation and Technology Center". This platform supports Hong Kong-based central SOEs in participating in national-level research projects, formulating policies for scientific talent, and facilitating the transformation and transfer of innovation and technology achievements. The Group focuses on conducting technological breakthroughs and major projects in Hong Kong's key sectors, accelerating the development of innovation platforms to attract global talent and utilize high-caliber international researchers.

Business units such as CR Enterprise and CR Jiangzhong have forged partnerships with multiple Hong Kong universities, deeply engaging in Hong Kong's "Industry-Academia-Research 1+" program and systematically expanding into strategic emerging industries such as biotechnology, artificial intelligence, and new materials. Among the first 24 projects officially announced and signed by the SAR government, CR secured approval to participate in nine, establishing itself as a key corporate force in supporting Hong Kong's innovation and technology initiatives. The CR Life Health Research Institute was officially established in the Hetao Cooperation Zone this year, with construction fully underway, actively connecting innovation and technology resources between Shenzhen and Hong Kong to promote collaborative innovation.



In January 2024, CR Modern Services completed the acquisition of SWCS Corporate Services Group (Hong Kong) Limited, positioning itself as the second-largest player in Hong Kong's company secretarial services industry for listed companies.



As the Group's primary research platform in Hong Kong, the CR Science and Technology Research Institute focuses on aligning with "national needs, Hong Kong's strengths, and China Resources' capabilities". The institute established three initial specialized research academies in life health, intelligent and digital technologies, and new materials, undertaking several key research projects. It has become one of the first key enterprise partners designated by the Hong Kong SAR Government.

The Group aims to take root in Hong Kong, leveraging Hong Kong's innovation and technology strengths and international advantages to drive Hong Kong's smart and low-carbon transition and foster future-focused innovative industries. CR Enterprise, CR Power, and the CR Science and Technology Research Institute jointly established the Hong Kong Smart Low-Carbon Development Innovation Alliance, promoting cross-sector collaboration and innovation among government, industry, academia, research, and investment. This alliance facilitates the broad application of green technology research outcomes, actively promotes the global expansion of advanced green technologies, supports the global low-carbon transition, and advances green, low-carbon, and innovative development.



Supporting Talent Development in Hong Kong

We align with Hong Kong's long-term development needs, collaborating with universities on research project partnerships and targeted talent cultivation, providing immersive internship programs for Hong Kong youth, and establishing employment support platforms. By optimizing talent structures, the

Group contributes to the development of Hong Kong as an International Innovation and Technology Center, fostering a virtuous cycle of corporate growth and human resource enhancement.

The "Radiant Brilliance, Nurturing the Creation of the Future" Hong Kong campus recruitment program represents a key initiative by CR to implement its Hong Kong strategy and promote youth employment. With a focus on addressing employment challenges for Hong Kong youth and guiding their integration into the Guangdong-Hong Kong-Macao Greater Bay Area and the broader national development framework, the Group organized various business units to visit six Hong Kong universities for campus recruitment roadshows, attracting numerous Hong Kong's outstanding master's and doctoral graduates. The six recruitment events collectively received 2,745 resumes. CR was among the first centrally-administered state-owned enterprises to conduct dedicated recruitment fairs at Hong Kong universities.

CR Enterprise emphasizes the development of Hong Kong's talent pool, implementing localized recruitment in alignment with the "14th Five-Year Plan" talent strategy. Through Hong Kong campus recruitment and internship programs, CR Enterprise alleviates employment pressures for new graduates. In 2024, CR Enterprise recruited over 800 local Hong Kong employees, accounting for 93% of its total hires.



Talent development, Radiant Brilliance, Create the Future

Building a Public Welfare Support Brand in Hong Kong

The Group, together with its Hong Kong-based enterprises, has developed multiple branded public welfare support projects focusing on "youth education, employment, entrepreneurship, and home ownership", "community care", and "cultural exchange between Hong Kong and the mainland". These initiatives support Hong Kong youth in completing their education, enhancing employability, and incubating entrepreneurial opportunities. The Group has participated in three consecutive phases of the Hong Kong SAR Government's "Strive and Rise Programme", through mentorship pairing, personal development planning, and financial support. CR mentors helped 150 students from disadvantaged communities broaden their horizons, build self-confidence, and foster a positive outlook on life.



CR has received the "Strive and Rise Programme" Strategic Partner Award for two consecutive phases. The mentor team, composed of CR's employees, has trained and grown alongside the students, successfully guiding them to graduation and earning the Active Participation Team Award.

Youth Education,
Employment,
Entrepreneurship,
and Home
Ownership

Together for
Dreams

With the mission of supporting Hong Kong youth in completing their education, the Group integrates projects such as innovation and technology lectures, a metaverse design competition, the "Together for Dreams" workshop, the Mobile Library, and the Homecoming Cup 3x3 Basketball Tournament to enrich the campus life of young people.



Youth
Dreams

With the mission of supporting Hong Kong youth employment, the Group implements initiatives including a summer internship program for Hong Kong students, youth career experience activities, youth multi-industry exploration activities, and a youth employment training program. The Group supports the establishment of scholarships, creating specialized awards such as the China Resources "Hong Kong Company Governance Professional" Scholarship.



Beyond
Dreams

To provide opportunities and support for Hong Kong youth entrepreneurship, the Group conducts initiatives such as the "China Resources & Hong Kong Science Park Innovation and Technology Experience Day", the Hong Kong Youth Innovation and Technology Practical Program, the International Innovation and Technology Talent Return to Hong Kong Program, the China Booster Program, and the Run Chuang X series of Hong Kong youth innovation and technology industry acceleration and empowerment projects.



社区
关爱

Love
Together

By integrating community care and welfare activities conducted by its Hong Kong business units, the Group prioritizes the launch of four "Love Together" sub-brands: Love Together Care, Love Together Recreation, Love Together Home, and Love Together Education. The Group has established over 110 community service points, benefiting 10,000 households and continuously enhancing the well-being of Hong Kong residents.



Forming a collaborative public welfare support project team to build a Hong Kong public welfare support brand

Enhancing Engagement with Hong Kong Social Organizations

The Group actively engages in exchange and cooperation with the Hong Kong SAR Government, social organizations, and public welfare institutions, participating in initiatives such as participating in the Hong Kong Shared Future Foundation's Medical Assistance Program for the Belt and Road Region, the Unity Foundation's policy research projects, the Civic Exchange's "Global Prosperity Summit" forum, and the Endeavour Education Centre's "Tang Poetry Recitation for Children" program.

■ CR supports the GX Foundation's Five-Year Medical Assistance Program for the Belt and Road Region, fostering regional healthcare collaboration.



Promoting Cultural Exchange Between Hong Kong and the Mainland

The Group and its Hong Kong-based business units actively organize employees, their families, external partners, and youth groups to participate in exchange and learning programs on the mainland, including visits to CR's business unit operations and study tours to Hope Towns donated by CR. These initiatives enable participants to gain a deeper understanding of the nation's rural revitalization achievements and diverse culture, strengthen national identity and pride, and inspire young employees and partners to build momentum for Hong Kong's social development.

■ CR Charitable Foundation, in collaboration with Love Together, launches the "Roaming Small Towns" project, bringing Hong Kong youth to visit Hope Towns in Hong'an, Baise, and Gutian for study tours in 2024, in partnership with the Hong Kong Correctional Services Department, the Elite Association, and the Kowloon Youth Association.



Strengthening the Required Actions and Implementing the Supporting Tasks

In 2024, we fully leveraged the enterprise resource advantages of CR, adhering to a new working philosophy of prioritizing "investment assistance and industrial cooperation, supplemented by public welfare support and social donations". By focusing on industrial revitalization to drive rural revitalization, the Group enhanced the endogenous development capacity of assisted counties, successfully completing targeted assistance tasks for Guangchang County and Haiyuan County, as well as counterpart support tasks for Qingliu County.

Strengthening Organizational Leadership

In 2024, we further refined the organizational structure of the Rural Revitalization Working Leadership Group, dynamically updating the members of the leadership group, work contacts, and project teams for assisted counties across various business units. A total of 24 seconded cadres and village-based first secretaries worked on the frontlines, forming a rural revitalization organizational structure with clear decision-making at the top, coordination in the middle, and implementation at the grassroots level.



■ Chairman Wang Xiangming and General Manager Wang Cuijun led a delegation to survey the "CR Hope Village – Building Dreams in Dongkeng" project in Guangchang County.

Improving Mechanisms and Systems

During the poverty alleviation phase, the Group primarily focused on "public welfare support and social donations, supplemented by investment assistance and industrial cooperation", mainly providing "transfusion" support to assisted counties. In the rural revitalization phase, the Group shifted to prioritizing "investment assistance and industrial cooperation, supplemented by public welfare support and social donations", with a core focus on "capacity building" to enhance the endogenous development capacity of assisted counties. This philosophy was formalized through the issuance of management measures and the "14th Five-Year Plan" implementation plan.



■ In accordance with the implementation plan, the Group will focus on five core areas—industrial revitalization, talent revitalization, cultural revitalization, ecological revitalization, and organizational revitalization—to further assist Guangchang County, Haiyuan County, and Qingliu County in consolidating and expanding poverty alleviation achievements while effectively advancing rural revitalization.

Vigorously Promoting Consumption Assistance

We actively participated in the Agricultural Prosperity Week, Spring Action, and Collective Action organized by the SASAC, fully utilizing its trade unions, canteens, the Central Enterprises Consumption Assistance APP and the self-developed e-commerce platforms to procure and sell agricultural products from targeted assistance counties and the other 832 formerly impoverished counties and districts, helping farmers address the issue of high production but low marketability.

In 2024, the Group's total procurement and sales of agricultural products reached RMB1.272 billion, including RMB35.42 million from targeted assistance counties and RMB1.237 billion from other formerly impoverished counties. During the 'Agricultural Prosperity Week' event organized by SASAC's Social Responsibility Bureau, the Group achieved a total procurement value of RMB33.337 million.



In November, the Group, in collaboration with China State Construction and SDIC, jointly organized the consumption assistance "Collective Action" event, with 43 centrally designated assistance units (including 9 ministries and commissions) participating offline. The event featured 193 product exhibition booths, showcasing over 7,000 types of products, and achieved a total procurement and sales assistance amount of RMB150 million.

Driving High-Quality Rural Revitalization Through Industrial Revitalization

In 2024, the Group fully leveraged its diversified resource advantages, aligning with the industrial characteristics of assisted counties and integrating business units to create a sustainable cycle of county-level industrial development. Socio-economic indicators continued to improve, economic vitality was further enhanced, no large-scale return to poverty occurred, and the per capita disposable income of rural residents increased significantly.

2024



Throughout 2024, the Group invested RMB23.2491 million in non-reimbursable assistance funds, RMB210.0409 million in reimbursable assistance funds, and attracted RMB109.1525 million in additional assistance funds to Guangchang County, implementing industrial revitalization projects such as the upgrading of seedling centers in Qingtong Village, Yuijiang Town, and Gaizhu Village, Qianshan Township. Additionally, the Group carried out assistance projects including the protection and passing on of "Meng Opera", sponsorship of youth football events, donation for the construction of Yihao Libraries, and the launch of the Beautiful Mobile Classroom teaching support initiative.

Investment of RMB

23.2491

million in non-reimbursable assistance funds was made to Guangchang County.



Throughout 2024, the Group invested RMB34.7483 million in non-reimbursable assistance funds, RMB97.8769 million in reimbursable assistance funds, and attracted RMB125.914 million in additional assistance funds to Haiyuan County, implementing projects such as the renovation of cattle breeding sheds for 430 households in Jiatang Township and the construction of a natural gas gate station. Additionally, the Group established the CR Scholarship, supported the enhancement of educational infrastructure at Jiatang Township Central Primary School, donated libraries, and conducted health consultations and free medical clinics.

Investment of RMB

34.7483

million in non-reimbursable assistance funds was made to Haiyuan County.



Throughout 2024, the Group invested RMB19.6088 million in non-reimbursable assistance funds to Qingliu County, implementing multiple rural revitalization industrial cooperation projects and public welfare support initiatives, including a donation of RMB9 million to construct the Elan Hotel in Shixia Village, Linshe Town, the establishment of a 70,000mu Gangmei planting and breeding base, the joint venture formation of Qingliu Runfu New Materials Technology Co., Ltd., and the development of a integrated fishery and solar power project. Additionally, the Group established a special scholarship to support outstanding students from disadvantaged families in Qingliu, funded the organization of a dragon boat race, and conducted carbon sink development cooperation projects.

Investment of RMB

19.6088

million in non-reimbursable assistance funds was made to Qingliu County.

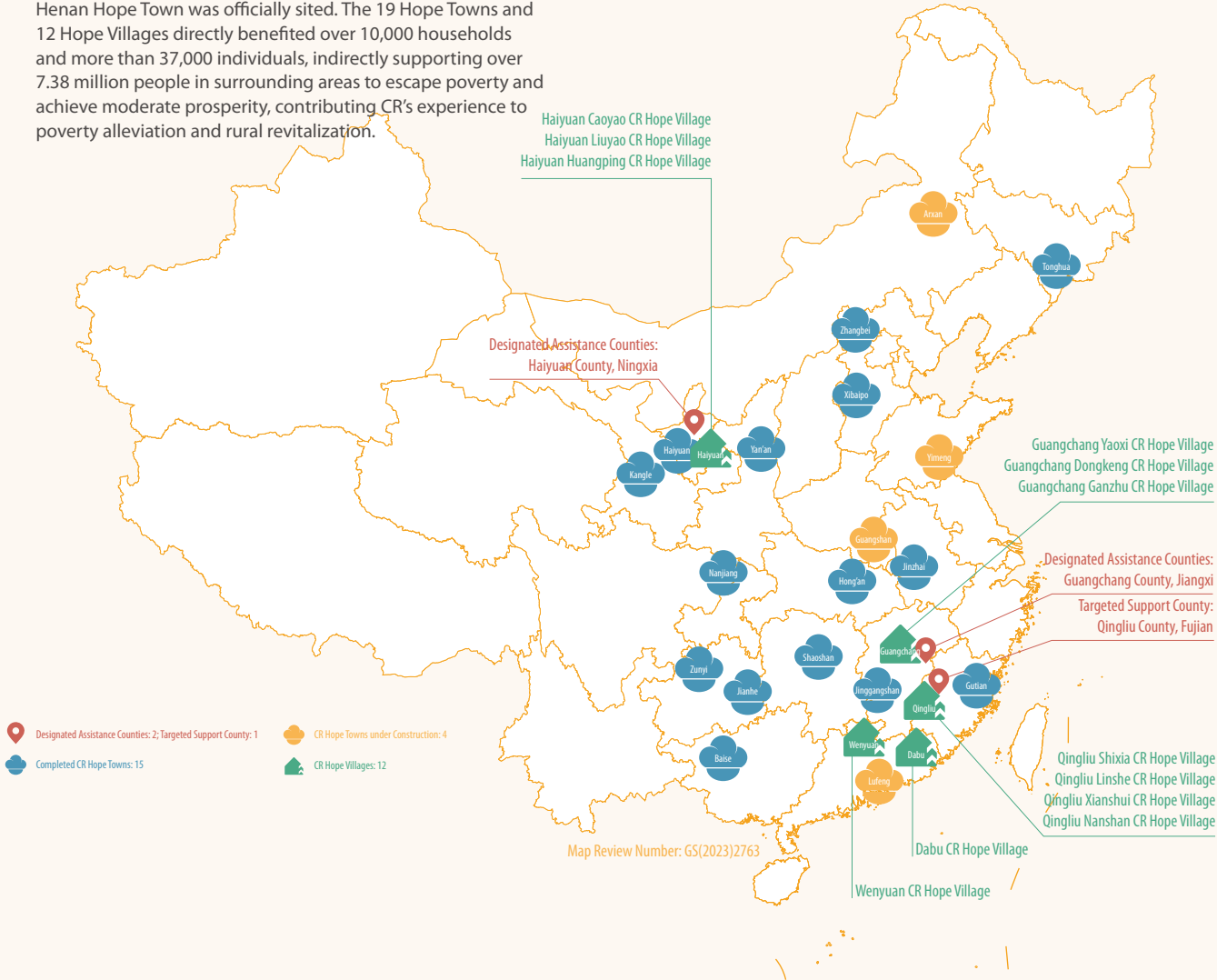
Sustaining Voluntary Initiatives to Illuminate Pathways of Hope

Since 2008, CR selected Baise, Guangxi, for its first Hope Town, and over the past 17 years, the Group has continued its unwavering efforts, completing the construction of 14 Hope Towns nationwide, with an additional 5 Hope Towns and 2 Hope Village projects in the planning and construction stages.

Accelerating the Construction of Hope Towns and Hope Villages

The construction scale of Hope Towns and Hope Villages reached a historic high. In 2024, the Group donated RMB225 million to support Hope Town construction, with the Kangle, Gansu, and Tonghua, Jilin Hope Towns successfully completed; the Arxan, Inner Mongolia, Yimeng, Shandong, and Lufeng, Guangdong Hope Towns, as well as the Wenguan and Dabu Hope Villages, commenced construction; and the Guangshan, Henan Hope Town was officially sited. The 19 Hope Towns and 12 Hope Villages directly benefited over 10,000 households and more than 37,000 individuals, indirectly supporting over 7.38 million people in surrounding areas to escape poverty and achieve moderate prosperity, contributing CR's experience to poverty alleviation and rural revitalization.

Currently, Hope Towns are under development in 13 of the 20 key revolutionary base cities designated by the National Development and Reform Commission, serving as a model for central enterprises' participation in rural revitalization and contributing CR's strength and experience.



Ongoing Twinning Assistance Operations Management Model

In 2024, the Group donated RMB8.9 million through the CR Charitable Foundation to support industrial assistance and property management services. CR has continued to consolidate the assistance outcomes for Hope Towns through the "Rotating Town Mayor + Red Housekeeper" working mechanism. The first batch of Rotating Town Mayors, through two years of temporary assistance work, developed industry projects tailored to local characteristics. In August 2024, the first batch completed their tenure, and the second batch officially took office to complete the second half of the four-year assistance period, continuing to promote the implementation of various industry projects. CR Mixc Lifestyle's Red Housekeeper team fully leveraged property management services in cleanliness, landscaping, and security, addressing the challenges of standardized and professional property management for Hope Towns.



In July 2024, the second batch of rotating town mayors commenced their terms in CR Hope Town.

Contributing to the Reinvention of Spiritual Civilization in Hope Town

Rural revitalization requires both physical and cultural transformation. In 2024, we aimed to achieve cultural and spiritual revitalization, making culture the wellspring of vitality that activates the endogenous power of the countryside.

The Group promotes the integration of local intangible cultural heritage crafts and high-quality agricultural resources to create the assisted agricultural product brand "Town Gifts", establishing a bridge for agricultural products to reach broader markets while infusing products with cultural narratives and

warmth. The 'Village BA' basketball tournaments in Jianhe and Nanjiang Hope Towns have transcended mere competition, becoming a self-initiated cultural ritual for villagers. In 2024, the CR Charitable Foundation, in collaboration with Central China Normal University's "Tiankong Choir", launched the "Harmony in Beautiful Villages" music public welfare series, conducting choir performances and rural music classes in Jinggangshan and Yimeng Hope Towns to illuminate rural communities through art.



CR Rural Revitalization Three-Year Plan Outline (2025–2027)

CR is thoroughly implementing the directives of the CPC Central Committee and the State Council of the People's Republic of China's "Comprehensive Rural Revitalization Plan (2024–2027)" and the "Opinions on Supporting the Revitalization of Revolutionary Base Areas in the New Era". CR is resolutely advancing rural revitalization initiatives through targeted assistance, paired assistance, and CR Hope Towns. These efforts aim to comprehensively revitalize designated assistance counties, CR Hope Towns, and rural revolutionary base areas. This plan integrates CR's business resources and the development needs of assisted areas.



Guiding Principle

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, CR fully, accurately, and comprehensively implements the new development philosophy to accelerate building a new development pattern and promote high-quality development. By learning and applying the "Thousand and Ten Thousand Project" experience, CR ensures national food security and prevents large-scale rural poverty as the bottom line, focusing on enhancing rural industrial development, rural construction, and rural governance. These initiatives support designated assistance counties and counties hosting CR Hope Towns in achieving comprehensive rural revitalization.



Overall Objective

By 2027, CR-designated assistance counties will further consolidate poverty alleviation achievements, enhancing the quality, efficiency, and competitiveness of rural industries, as well as rural infrastructure and public service levels. Significant progress will be achieved in rural civilization construction, economic vitality, and development momentum. The living standards of villagers in **CR Hope Towns** will be significantly improved, the modernization of rural governance systems and capabilities will be significantly enhanced, and sustainable development capacity will be significantly strengthened.



Key Mission

From 2025 to 2027, CR plans to allocate **RMB280 million** in non-reimbursable assistance **to support designated assistance counties in developing specialty industries, creating regional brands, distributing the CR Education Fund, conducting talent training programs, and constructing CR Hope Villages.** Concurrently, we will mobilize relevant business units to conduct consumption assistance by establishing production bases and operating enterprises, enhancing the endogenous development momentum of CR-designated assistance counties. CR Hope Towns will achieve steady progress in regional economy, governance effectiveness, and rural cultural development. Concurrently, we will strengthen industrial support foundations, enhance industrial development benefits, and improve villagers' self-development capabilities, leading to sustained per capita income growth.

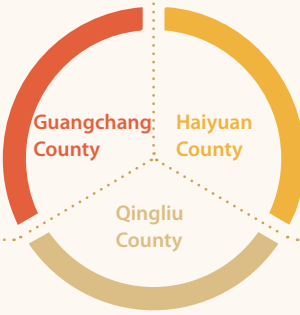
Core Initiatives - Supportive Work

Coordinating CR's Assistance Resources

- 1 Increasing investment in non-reimbursable assistance.
- 2 Improving educational infrastructure in CR-designated assistance counties.
- 3 Selecting and sending outstanding cadres for temporary assignment in CR-designated assistance counties.
- 4 Selecting outstanding talent from CR-designated assistance counties for temporary training at CR.
- 5 Establishing the CR Education Fund.
- 6 Vigorously conducting rural talent training.

- 7 Addressing employment challenges for graduates from CR-designated assistance counties.
- 8 Conducting Rural Revitalization training programs for leading party, government, and enterprise cadres.
- 9 Continuing to construct CR Hope Villages.
- 10 Organising CR Healthy Village Public Welfare project.
- 11 Conducting consumption assistance.
- 12 Conducting the Basic Assistance Project.

- 1 Supporting the development of Guangchang's white lotus "billion-dollar industry".
- 2 Supporting the construction of assistance workshops in Guangchang.
- 3 Supporting the protection and passing on of "Meng Opera" in Guangchang County.
- 4 Promoting and publicizing Guangchang's football culture and lotus culture.
- 5 Implementing the "Hope Project: STEM Spark Plan".
- 6 Deeply engaging in "farm-to-supermarket docking" in Guangchang County.
- 7 Supporting the development of photovoltaic power generation as a new energy industry in Guangchang.
- 8 Collaborating with Guangchang County on "dual carbon" initiatives.
- 9 Supporting the development of new materials industries in Guangchang.
- 10 Supporting the development of under-forest medicinal herb industries, such as Gangmei, in Guangchang.



- 1 Supporting Haiyuan County in exploring a distinctive development model that integrates photovoltaics with rural revitalization.
- 2 Increasing investment in clean energy projects in Haiyuan.
- 3 Continuing the one-on-one assistance program for impoverished college students in Haiyuan County, providing ongoing support and care for students in need.
- 4 Supporting the protection and passing on of Hui embroidery and paper-cutting culture in Haiyuan County.
- 5 Supporting the development of the natural gas industry in Haiyuan.
- 6 Supporting the development of Haiyuan's "one main and four special" industries.
- 7 Increasing support for the beef cattle industry in Haiyuan County.
- 8 Promoting the transformation and upgrading of the traditional Chinese medicine herb industry in Haiyuan.

- 1 Supporting public cultural development in Qingliu County.
- 2 Promoting the quality enhancement and upgrading of Qingliu County's premium agricultural and specialty products.
- 3 Facilitating the development of the tea industry in Qingliu County.
- 4 Assisting Qingliu County in developing and constructing fishery-solar complementary photovoltaic power generation projects.
- 5 Collaborating with Qingliu County on "dual carbon" initiatives.
- 6 Undertaking advisory cooperation on "urban space management" in Qingliu County.

- 7 Advancing the construction of an industrial park for the recycling and utilization of construction solid waste in Qingliu County.
- 8 Enhancing the operational and management standards of the Milan Flower Hotel in Qingliu County.
- 9 Supporting the development of the Chinese medicinal herb industry in Qingliu County.
- 10 Promoting the development of the new materials industry in Qingliu County.
- 11 Advancing the high-quality development of healthcare services in Qingliu County.

CR Hope Towns and Hope Villages Construction and Management

Completing the construction of four Hope Towns and two Hope Villages, ensuring timely completion of **Tonghua CR Hope Town, Gansu Kangle CR Hope Town, Hebei Zhangbei CR Hope Town, Inner Mongolia Arxan CR Hope Town, Guangdong Wengyuan CR Hope Village, and Guangdong Dapu CR Hope Village.**

Achieving **80 %** progress on the Shandong Yimeng CR Hope Town project.

Advancing the Guangdong Lufeng CR Hope Town project to **80 %** completion.

Commencing full-scale construction of the **Henan Guangshan CR Hope Town** project.

Completing the construction of the **Henan Guangshan CR Hope Town project.** Progressing the **Xinjiang Hami CR Hope Town project** to

60 % completion.

Completing the construction of the Shandong Yimeng CR Hope Town project, finalizing the construction of the Guangdong Lufeng CR Hope Town project, and planning and selecting a site for the establishment of a new Xinjiang Hami CR Hope Town in the same year.

Completed CR Hope Town Management Tasks

Consolidating the Outcomes of Environmental Transformation

Consolidating the outcomes of the upgrades of the living environment and infrastructure related to the supply of water, electricity, gas, and housing; Strengthening the protection of ecological resources, including arable land, forest and wetlands; Relying on "red housekeepers" to implement waste sorting system, sewage treatment, and environmental protection; Promoting eco-agriculture and circular agriculture, and develops green industries including rural tourism and leisure agriculture during the operation period.

Developing the Capacity of the Two Committees in Villages and Sustaining Industrial Assistance

Optimizing the specialty industrial projects and highlight "one town and one industry"; Focusing on the leading industry and extend the industrial chain to form support between upstream and downstream; Consolidating and upgrading the existing industrial projects to ensure stable industrial development and predictable cash flow with stability in 2027; Preliminarily building and fostering self-development centered on "village committees + villagers".

Promoting Organizational Restructuring Centered on the Two Committees in Villages

Increasing efforts to attract college students, veterans and entrepreneurs to return to their hometowns and start their own businesses, and provide entrepreneurial support and preferential policies; Improving rural infrastructure through town construction to provide favourable working and living conditions for talents; Strengthening the construction of grass-roots Party organizations and enhancing their cohesion and rallying power; Improving the rural governance system, improving the mechanism of villagers's self-autonomy, and enhancing the capacity for rural development autonomy; Developing organizations for public activities to leverage their roles in rural governance and public services.

Spiritual Revitalization through Cultural and Sports Revitalization Programs

Establishing CR red education base to educate Party history; Constructing a platform for cultural exchanges between Hong Kong and the Mainland to foster patriotic sentiments; Launching cultural and sports activities to boost positive atmosphere in the rural area; Publicizing and promoting socialist core values and enhancing civilization; Building cultural facilities to provide venues and event support for villagers's activities.

Safeguarding Measures

Strengthening Organizational Leadership

Actively implementing the strategic deployment of the CPC Central Committee and the State Council to consolidate and expand poverty alleviation outcomes while effectively connecting with rural revitalization, establishing and enhancing a mechanism for promoting rural revitalization with strong leadership, close linkages, and efficient operation.

Clarifying Job Duties

CR Rural Revitalization Leadership Team is responsible for the coordination and decision-making. Rural Revitalization Office is responsible for the communication and coordination. CR designated assistance and counterpart support project working group is responsible for implementation.

Establishing Collaborative Mechanism

The Group is responsible for formulating a mechanism for mutual dispatch of seconded cadres and cooperation between the Group and the assisted counties. CR Learning and Innovation Center is responsible for organizing training for the cadres. The Human Resources Department is responsible for managing seconded cadre exchanges.

Strengthening Inspection and Supervision

CR Rural Revitalization Leadership Team is responsible for keeping track on the progress of various revitalization projects. Each member unit shall, based on actual conditions, promote the effective implementation of goals and tasks. Formalism, bureaucracy, and image projects should be strictly prevented while villager participation is encouraged to supervise project implementation.

Focusing on Publicity and Guidance

CR Rural Revitalization Office is responsible for preparing quarterly newsletters on rural revitalization work and actively submits articles to specialized publications, including the dedicated publication of assistance work of the SASAC and China Rural Revitalization Magazine, to fully utilize the media, official websites, official WeChat accounts, and exhibitions to strengthen public opinion, fostering a favorable atmosphere of strong support for CR's rural revitalization work.

Construction History of CR Hope Towns



2025 is the final year of the "14th Five-Year Plan" and the preparatory year of the "15th Five-Year Plan". We will continue to continue to draw up the grand blueprint of 19 Hope Towns + 12 Hope Villages with resolute strides, based on the original aspiration of political nature, public welfare, and a non-commercial model, guided by the principles of environmental transformation, industrial support, organizational restructuring, and spiritual revitalization.

Addressing Societal Needs Through Empowered Volunteerism

We pay attention to the needs of the society and fulfill our responsibilities as a state-owned enterprise. We actively listen to the expectations and demands of the people and pay special attention to the disadvantaged, marginalized, and remote groups. The Group and its business units leverage their business expertise to encourage and support employees to devote themselves to public welfare, connect communities to build beautiful homelands, and engage in all kinds of public welfare activities and volunteer services. In 2024, the Group's volunteer team consists of 3,913 volunteers, with 383 instances of community service participation and a total of 1,300 service hours.



CR volunteer team gathered volunteers to support the event, "The Charm of Paper Cutting Spreads to Hong Kong: Intangible Cultural Heritage in the Community", a paper-cutting art experience activity



Supporting Charitable Education



CR Vanguard: The "Star Guardians Program" by CR Vanguard organized a volunteer service team to conduct a series of activities to support autistic youths. With nearly eight years of exploration, over 200 instances of training and internships for intellectually disabled youth in Guangzhou and Shenzhen have been provided with systematic training and job internships. CR Vanguard has collaborated with various professional organizations to organize a total of 3,733 activities in Guangzhou and Shenzhen.

CR Sanjiu: Supporting education, building dreams, and shaping people through the Sanjiu Elementary School Project, "Upholding Original Aspirations, Nurturing the Heart." Funded education implies the nurturing of talent and development of social productivity. Students who received the Sanjiu Scholarship have chosen to join CR after graduating from university to contribute to society.

Participating in Community Voluntary Services



CR Enterprise: Undertaking the social responsibility of state-owned enterprises in Hong Kong actively and aligning with the direction of the government to conduct various livelihood work including care for the disadvantaged groups in Hong Kong, organizing and participating in volunteer activities, and fully demonstrating the enterprise's commitment in serving the community. In 2024, the company recorded 815 person-times of volunteer service participation, with a total of 5,718 service hours. CR Logistics and CR Capital were honored with the "Hong Kong Volunteer Award" for the Top Ten Highest Volunteer Hours in the year.

CR Gas: Adhering to the "Responding to the Residents' Needs" service concept, to create high-quality old neighborhood gas transformation projects to help rejuvenate old neighborhoods and enhance residents' sense of well-being. Coordinating the installation of natural gas with compliance with gas safety standards has been a challenge. CR Gas has addressed grassroots issues effectively.

Supporting Community Health Systems



CR Pharma: In response to the strategies of Healthy China and rural revitalization, we advance the implementation according to the "five ones" target, focus on medical assistance in counties, and promote high-quality medical resources to the primary level, creating the CR Healthy Village charitable project.

CR Double-Crane: In collaboration with the China Association of Gerontology and Geriatrics and the Bethune Foundation, we organized the "Light of Hope" charity action, gathering experts in the field of oncology from all over the country to the old revolutionary areas of Guizhou to share valuable experience on challenges faced and innovative practices in cancer treatment and to conduct a public lecture on cancer prevention and early screening for the local Miao ethnic group.

CR Rural Health Charity Program by the End of 2024

Provided remote case guidance to over	Conducted	Developed
100	450	5
county hospitals	training sessions for village doctors	sets of specialized training materials
Trained over	Provided in-depth training to	Assisted in the construction of
2,400	970	60
hospital directors in the field	village doctors	rural health centers
Distributed commonly used medicines to over	Accumulated donations of RMB	Benefited
60,000	64.14	4.7
families	million	million people

Strict Production Safety to Safeguard the Public

In-depth Production Safety Addressing Fundamental Challenges Initiatives: Three-Year Action

Considering the diversified nature of our operations, we have studied and compiled the "China Resources Group Production Safety Addressing Fundamental Challenges Action Plan (2024-2026)", and coordinates and promotes 11 critical tackling tasks, eight infrastructure tasks, and four capacity-enhancement tasks. Each business unit, based on its operational needs, has established special action leadership teams and working groups, compiled and issued its own action plans for addressing fundamental challenges, and filed them with the Group for the record. This creates an action implementation plan combining the "Group's General Plan + Business Units' Sub-Plans", ensuring deployment and practical implementation of the three-year action plan.

In-depth Cautionary Education Programs

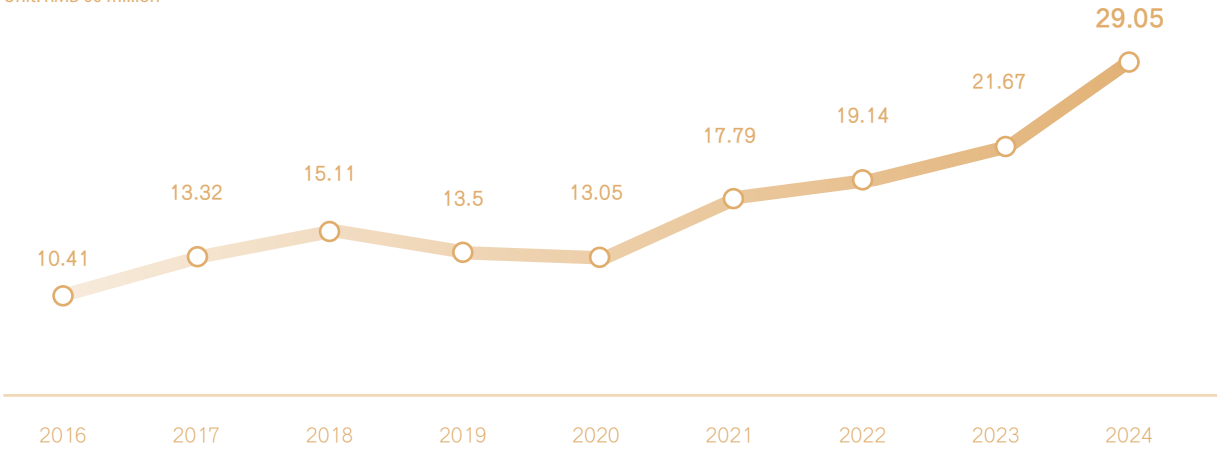
We held a production safety warning and education meeting to view safety education films to further enhance the awareness of safety responsibilities of the management at all levels. Units at all levels organize educational programs in various forms, such as viewing, working meetings, and group seminars, to enable employees to deeply understand the lessons from accidents and strengthen safety risk awareness among all employees. Screenings have been organized for over 18,000 sessions throughout the year.

Persistence on High Investment to Ensure That All Safety Work is Implemented Thoroughly and Meticulously

In 2024, we conscientiously implemented the requirements of the "Administrative Measures for the Extraction and Use of Enterprise Safety Production Expenses (Caizi [2022] No. 136)", and invested an aggregate of RMB2.905 billion in safety funds, representing a year-on-year increase of 34.1% (please refer to Appendix 1 for details), which effectively ensured that the Group's various safety initiatives were implemented thoroughly and meticulously.

Statistics on the Group's Investment in Production Safety Expenses

Unit: RMB'00 million



CR Gas allocated RMB1,037.27 million in safety funds to deploy intrinsically safe facilities and equipment, including long-life flexible hoses, automatic shut-off valves, Internet of Things gas meters, etc. Throughout the year, we have upgraded over 2,168 kilometers of aging pipelines, promoted long-life flexible hoses for 6.88 million households, automatic shut-off valves for 7.35 million households, and Internet of Things gas meters for 3.44 million units, while continuously improving easy-to-operate inspection systems, data collection, and video monitoring systems to strengthen risk monitoring capabilities, early warning systems, and operational management of aging pipelines.

CR Land (including Mixc Lifestyle) allocated RMB125.62 million in safety funds, which were mainly used for the renovation and maintenance of safety protection facilities and equipment at construction sites, upgrading fire protection systems in commercial complexes, safety inspection and evaluation, and safety education and training.

CR Power allocated RMB1,013.4 million in safety funds, which were mainly used for detection and assessment of major hazard sources, maintenance of safety protection devices, special safety inspections, safety education and training, etc. CR Building Materials Technology allocated RMB341.57 million in safety funds, which were mainly used for the safety renovation of equipment, safety evaluation of the enterprise, investigation and management of hidden hazards, and management of occupational hazard factors.

CR Beer allocated RMB97.2 million in safety funds, mainly for the upgrading of equipment and facilities such as fire-fighting systems, ammonia refrigeration systems, and dust explosion prevention, to prevent major safety hazards in the relevant equipment and facilities.



In October 2024, Mr. Wang Cuijun, General Manager of the Group, led a team to inspect the safety work of the Shenzhen Snow Beer Town project.

Commitment to a Robust System to Promote the Continuous Progress of Safety Work

We have optimized and established the 5A management system, refining responsibility implementation mechanisms, strengthening safety supervision, developing and implementing an EHS quantitative evaluation system, strengthening benchmarking and exchanges with external central state-owned enterprises, and strengthening the critical role of the system in safety management.



The production lines of business units have strengthened their safety preparedness capabilities through practical exercises, drills, and skills training.

Commitment to Eliminating Hidden Dangers, Strictly Preventing Safety Hazards from Developing into Safety Accidents

We deeply promote key tasks including the concentrated fire safety hazard elimination, major tackling and rectification campaign, the gas safety inspection and rectification campaign, and targeted inspections for units requiring safety support to conduct in-depth investigation and management of major hazard sources, potential risks, and accident-prone processes and components. Management and control measures have been implemented item-by-item to safeguard the public's life, health, and safety.



The Group widely organized the activity, "I Want Safety, Report Hidden Dangers".

Commitment to Effectiveness, Organizing In-Depth Production Safety Education and Training

We carefully plan and organize the promotion and implementation of new systems, training on criteria for identifying major accident hazards, professional training and certification of safety, etc., and continue to provide empowerment training for the safety literacy and skill enhancement of employees of relevant stakeholders, to lay a solid foundation for the career development and promotion of employees. By the end of 2024, we had 2,751 certified safety engineers and 3,038 full-time safety management staff.



The Group organized employees to watch the safety education film "Production Safety, Responsibility on Our Shoulders".

Commitment to Shaping a Safety Culture, Actively Creating and Promoting a Safety Work Atmosphere

The concept of safety development was thoroughly practiced and disseminated. In alignment with events such as Work Safety Month, Fire Safety Month, and Traffic Safety Week, we actively organized the "I Want Safety, Spanning Thousands of Miles" campaign, and organized and participated in the National Emergency Management Legal Knowledge Competition, which strengthened the promotion of the "I Want Safety" work atmosphere, and fostered the construction of a shared safety value across all levels of the organization, enabling employees to develop a strong sense of identity, belonging, and safety.



Vigorously promoting the concept of safety culture

Commitment and Performance

Commitment Made in 2024

We will strengthen scientific planning to identify development directions and integrate our business in an efficient way, while exploring new growth opportunities. Our focus is on enhancing the proportion, quality, and impact of the Group's operations in Hong Kong to better serve the national strategy and the development of Hong Kong, thereby fulfilling the Group's unique mission.

We will continue to focus on the education, employment, entrepreneurship and home ownership for Hong Kong younger generation by leveraging CR's business resources and strengths in Hong Kong. Through enhancing internal and external communication and participation, we aim to promote various charitable projects with clear directions, foster collaboration, and ensure efficient implementation and closed-loop management. This approach will better demonstrate CR's commitment to public responsibility in Hong Kong.

CR will leverage its diversified industrial advantages to coordinate the Group's charitable resources in an efficient manner, standardizing the management of donations. By putting our efforts across various responsibility areas, we aim to create more demonstration projects that align with the "Beautiful CR" and "Valuable CR", thereby contributing to economic and social development.

In support of the three counties, we are firmly advancing our initiatives across the five dimensions of rural revitalization. We are systematically promoting the "CR Hope Village" project and selecting locations for the construction of new Hope Villages. In terms of town construction and management, we will initiate the Yimeng and Arshan projects, while the Lufeng Town project has completed its site selection and preparation. Established Hope Towns are now upgrading its concepts and visions, facilitating the establishment of new assistance for industries. We have built the "Town Gifts" brand to assist farmers with marketing and launched the "On the Field of Great Prospects" volunteer programme to create an atmosphere of good governance in rural areas, and to share the stories of our towns in a vivid way.

Commitment Performed in 2024

Promoting full coverage of Hong Kong business development at the business unit level and facilitating the implementation of major projects in multiple sectors such as CR Land, CR Power, and CR Mixc Lifestyle.

To build a synergy of charity and public welfare brands in Hong Kong, we have consolidated public welfare projects, focusing on areas such as "Youth Dreams", "community care", and "cultural exchange" to promote the stability of the Hong Kong community and to enhance the influence and coverage of community services.

We consistently and effectively advance the Group's and its business units' public welfare and charitable donation programs. By innovating public welfare models within the scope of fulfilling responsibilities and creating social responsibility brand highlights.

We comprehensively promoted rural revitalization and strengthened industrial assistance in Guangchang, Haiyuan, and Qingliu counties. Hope Towns in Tonghua and Kangle were successfully completed. Hope Towns in Arxan, Yimeng, and Lufeng were successfully started, and Hope Town in Guangshan completed site selection and establishment. The completed towns are operated in an orderly manner, enriching rural spiritual civilization.

Commitment Made in 2025

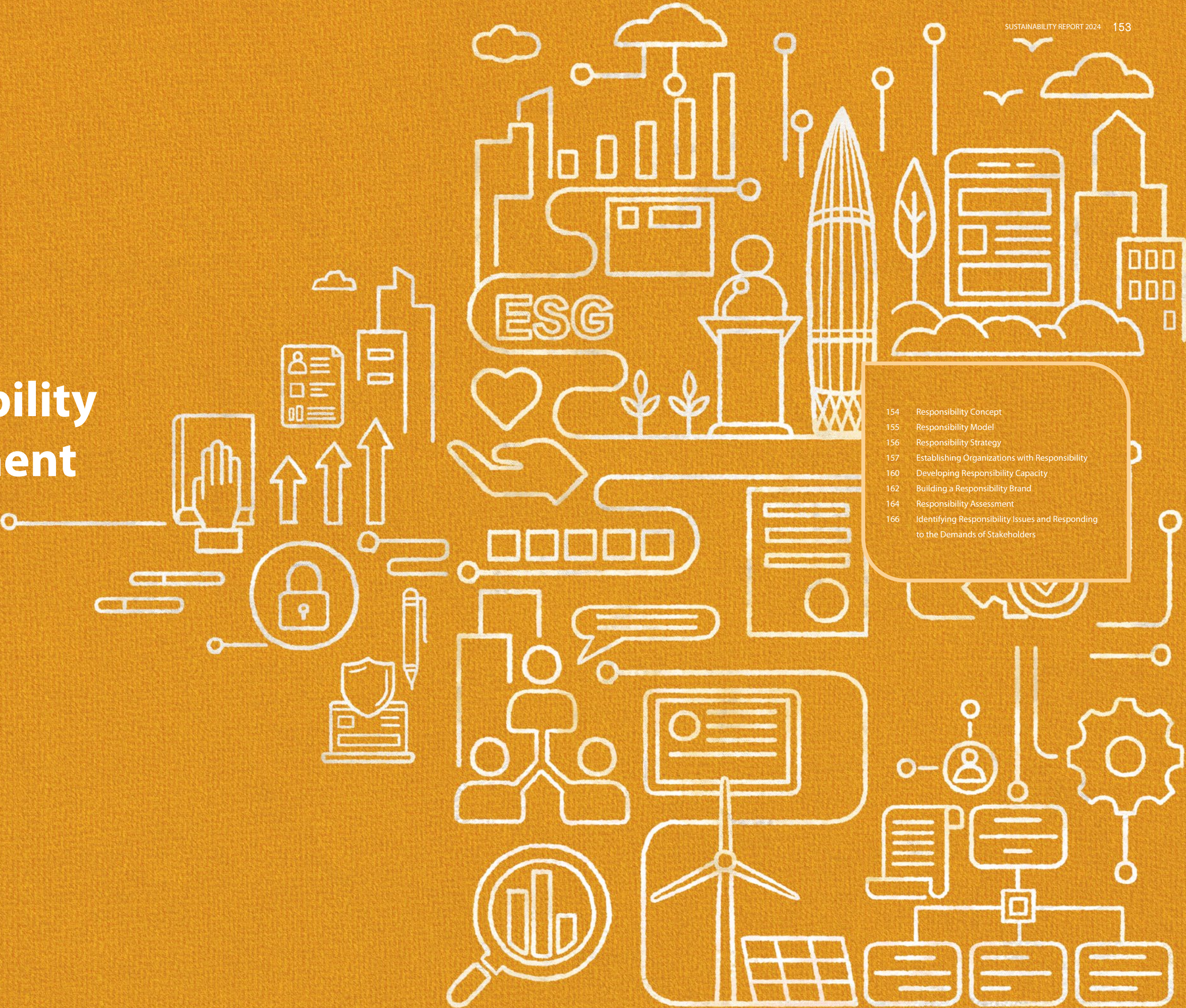
We will resolutely restructure our operations in Hong Kong by strengthening the property management business chain, achieving breakthroughs in the commercial management business, exploring new livelihood-focused businesses, and optimizing CR Building Materials Tech and retail sectors to improve the quality of Hong Kong operations.

We will enhance the collective voice of Hong Kong's public welfare brands to increase influence of these brands, sustain community care activities, and provide services through community living rooms.

We will strengthen the Group's management of external donations, fully utilise the Group's advantages in diversified industries, and further consolidate the responsibility system and responsibility brand building with continuity and influence.

We will continue to promote rural revitalization, effectively implement the five pillars of rural revitalization for counties under targeted assistance and paired support, and complete the construction of five Hope Towns and two Hope Villages under construction on schedule and with quality.

Responsibility Management



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All along, CR has prioritized social responsibility and ESG as a proactive strategic choice, as an intrinsic requirement for sustainable development. It is our duty to excel in pursuing the path as a proactive strategic choice, an intrinsic requirement for sustainable development, and a core responsibility in advancing high-quality, Chinese-characteristic modernization as a people's livelihood enterprise. The concepts of social responsibility and sustainable development have been integrated into the corporate strategy and daily operations to establish a comprehensive responsibility management system.

Responsibility Concept

Guided by its corporate mission, CR has consistently identified six key areas for fulfilling social responsibilities, in response to the expectations and demands of stakeholders closely related to operations. CR has refined and established its social responsibility philosophy.

Fulfilling economic responsibility	To maximize corporate value for shareholders, achieving a valuable CR
Fulfilling employee responsibility	To build an excellent growth platform for employees, achieving a people-oriented CR
Fulfilling customer responsibility	To provide customers with quality products and services, achieving a satisfactory CR
Fulfilling environmental responsibility	To explore the path of sustainable development, achieving a green CR
Fulfilling partner responsibility	To create a mutually beneficial environment for partners, achieving a win-win CR
Fulfilling public responsibility	To share the rewards of corporate development with the public, achieving a harmonious CR

Responsibility Model

Centered on the "Mission-Led Social Responsibility Management Model 2.0" with the framework of "responsibility culture, responsibility management, and responsibility practice" to implement social responsibility.

Inner Circle

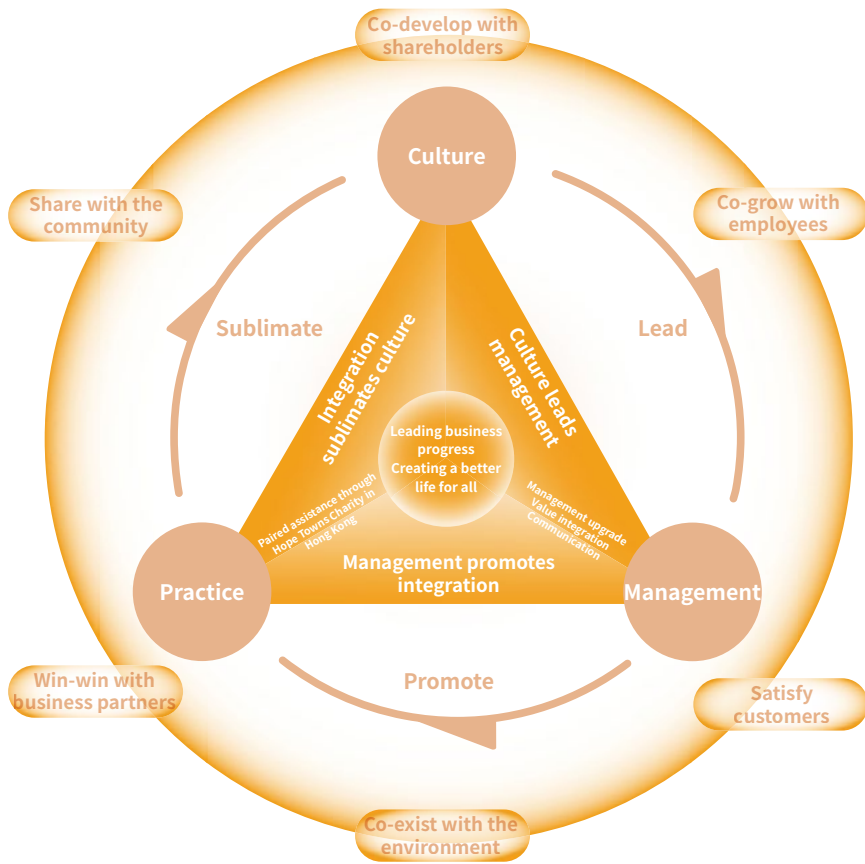
We led the direction of social responsibility work with the corporate mission of "Leading the business progress and building a better life together" at the core.

Middle Circle

We established the framework of "responsibility culture, responsibility management and responsibility practice" whose implementation was driven by "culture leads management, management promotes integration and integration sublimates culture", proposed 4 key tasks, namely responsible management, Hope Towns, paired assistance and charity undertakings in Hong Kong, and clearly defined the key areas of social responsibility and management mechanism.

External Circle

We clarified our objectives for social responsibility management by following the path of "co-developing with shareholders, co-growing with employees, satisfying customers, coexisting with the environment, creating a win-win situation with partners and sharing with the community".



■ Mission-led Social Responsibility Management Model 2.0 of China Resources Group

Responsibility Strategy

Comprehensive Accomplishment of Social Responsibility "14th Five-Year Plan" Targets

At the beginning of the "14th Five-Year Plan", the Group formulated the 14th Five-Year Plan for Social Responsibility, which has served as an action program to guide the Group's top-down social responsibility work. After the mid-term review of strategy, we have made timely adjustments to the relevant work, and in the final year of the 14th Five-Year Plan, we have achieved the set goals of "one strategic objective", "one model upgrade", "four key task upgrades", and "three levels of responsibility" under the framework of the new ESG regulations.



Focus of the "14th Five-Year Plan" on Social Responsibility

Strategic Objective

By the end of the "14th Five-Year Plan" period, the social responsibility management system of the Group has been gradually refined, the 'Responsibility+' work framework has been basically established, and its leading position in the social responsibility work of central enterprises has been further consolidated.

Blueprint for Social Responsibility in the "15th Five-Year Plan"

The year 2025 marks the concluding year of the "14th Five-Year Plan" and the preparatory year for the "15th Five-Year Plan". While summarizing its social responsibility experiences from the "14th Five-Year Plan", CR recognizes new challenges in its development journey and areas requiring sustained deepening and enhancement. The compilation of the CR Sustainable Development "15th Five-Year Plan" has commenced, closely aligning with the latest social responsibility and ESG policies, trends, and developments, while integrating the Group's strategic positioning and distinctive framework. This plan establishes specific objectives and safeguard mechanisms for sustainable development across the environmental, social, and governance dimensions for the next phase, outlining key priorities at both the Group level and across its six major business segments, thereby guiding and advancing sustainable development efforts to new heights during the "15th Five-Year Plan" period.

Work Tasks

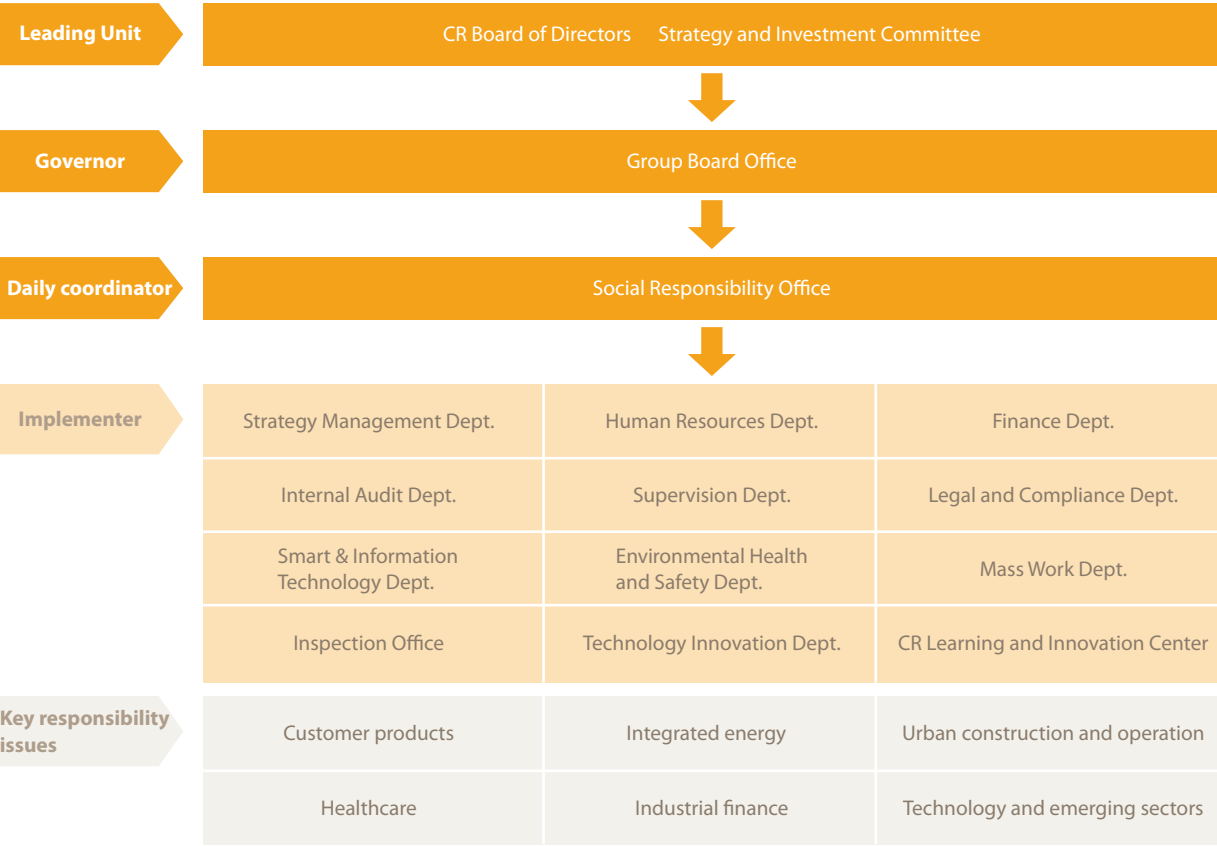


Establishing Organizations with Responsibility

Improving Social Responsibility Leadership Institutions and Working Mechanisms, Promoting "Responsibility +" from the Organizational Level

CR maintains its horizontally comprehensive and vertically thorough organizational structure for social responsibility and ESG. The Group has proactively benchmarked the organizational setup of the sustainable development departments of outstanding domestic and international enterprises. Furthermore, the Group has actively promoted the addition of corresponding social responsibility and ESG duties within the Board of Directors'existing professional committees. These committees have conducted research on the Group's comprehensive policies, strategic plans, and ESG investment intentions. The committees are responsible for approving the disclosure of social responsibility and ESG information, establishing work systems and annual work plans, and performing related supervisory and inspection

work. Currently, the Group has established "an organizational structure with the Board of Directors' Strategy and Investment Committee as the leading institution for social responsibility and ESG work, the Board Office as the supervisory unit, the Social Responsibility Office as the daily coordination department, and all other Group functional departments as supervisory and promotional departments for social responsibility and ESG work in their professional fields, with each business unit implementing key responsibility issues of their respective business sectors", alongside an interactive, top-down and bottom-up work advancement system. This structure effectively enables each department to further clarify its key responsibility issues and each business unit to further clarify its respective responsibility objectives.



■ Social Responsibility and ESG Management Organizational Structure of the Group

Driving the High-Quality Development of Social Responsibility Work by Senior Management

Social Responsibility Management

All along, the Group's leaders have placed great importance on the social responsibility management and practice work. In 2024, under the leadership of Chairman Wang Xiangming, our business units have supported and participated in the two major events, namely the release of the Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG 6.0) and the 7th China Enterprise Forum guided by the State-owned

Assets Supervision and Administration Commission (SASAC). At the 'China ESG (Corporate Social Responsibility) 2024 ESG Action Report Release' hosted by the CCTV Financial Program Centre in Beijing, Chairman Wang participated via video and delivered a keynote speech that effectively communicated CR's social responsibility perspective and value concept while fully leveraging the value as an opinion leader.



■ On 7 November 2024, Chairman Wang Xiangming attended the 7th China Enterprise Forum's Parallel Forum on Social Responsibility of State-Owned Enterprises, delivered a keynote speech on "Building a Social Responsibility and ESG Ecology with Chinese Characteristics," and signed the "Green and Low Carbon Supply Chain Responsibility Enhancement Initiative for Central State-owned Enterprise" on behalf of CR.

CR has always adhered to the principle of "capitalizing on CR's strengths and responding to the needs of the country" and has been systematically advancing, continuously innovating, and actively performing the practice of fulfilling its responsibilities. We strive to build a social responsibility and ESG ecosystem with Chinese characteristics. In this new era and new journey, CR will, with a more leading consciousness and a more solid style, promote the entire Group's social responsibility and ESG construction to new heights. Firstly, we will deepen our understanding of the strategic value of ESG work. Secondly, we will continue to conduct ESG top-level design. Thirdly, we persist in highlighting CR characteristics, aligning with international standards, and taking the initiative. Fourthly, we will use ESG as a vehicle to accelerate the cultivation of new quality productive forces. CR remains steadfast in our original intention and mission to contribute CR wisdom and CR strength to support central state-owned enterprises in fulfilling social responsibilities to a high standard and creating more social value in the new era!

——Wang Xiangming

Social Responsibility Practice

On the other hand, members of the Group's Board of Directors and leadership team have made numerous on-site visits to counties under targeted assistance and paired support and conducted field investigations and research of Hope Towns. They have actively participated in training programs for the cadres of these paired counties, providing extensive guidance for the Group's rural revitalization. In 2024, under the preparation, organization, and arrangement of the Group's Rural Revitalization Office, members of the Party Committee of CR and other relevant

management personnel of the Group, along with members of the Rural Revitalization Leadership Team and its office, collectively conducted 18 on-site inspections and guidance visits to Guangchang County, involving 139 personnel visits; 4 visits to Haiyuan County, involving 43 personnel visits; and 24 inspections and research trips to Qingliu County, involving 300 personnel visits. The number of personnel visits for on-site inspections and supervisory work continues to increase.

The members of the leadership team of China Resources Group have made several field trips to counties under targeted and paired assistance, Hope Towns and CR Hope Village for many times

Category	Date	Location	Event	Project	Leaders
Activities for Counties under the Group's Targeted Assistance and Paired Support	19-20 June 2024	Qingliu, Fujian	CR 2024 July 1st Themed Party Day Event	CR Hope Village – Fragrant Shixia	Chairman Wang Xiangming, General Manager Wang Cuijun, Director Pan Fu, Deputy General Manager Wang Chuandong, Chief Accountant Quan Huaqiang, Deputy General Manager Han Yuewei
	17-18 July 2024	Guangchang, Jiangxi	Guangchang on-site research	China Resources Group's paired assistance for Guangchang County	Lan Yi, Deputy General Manager
	16 August 2024	Haiyuan, Ningxia	Work Research Seminar on China Resources Group's paired assistance for Haiyuan County	CR Hope Village - Liuyao	Chairman Wang Xiangming, General Manager Wang Cuijun, Lan Yi, Deputy General Manager
	30 August 2024	Guangchang, Jiangxi	Guangchang on-site research	Guangchang Bailian Industrial Development	Chairman Wang Xiangming, General Manager Wang Cuijun, Deputy General Manager Han Yuewei, Deputy General Manager Han Song
	28 March 2025	Haiyuan, Ningxia	Haiyuan county rural revitalization research	CR Hope Village - Lianxin Yaoxi, various industrial assistance projects	General Manager Wang Cuijun
	29 May 2025	Guangchang, Jiangxi	Guangchang on-site research	CR Hope Village - Chasing Dreams in Dongkeng	Chairman Wang Xiangming, General Manager Wang Cuijun, Deputy General Manager Han Yuewei, Deputy General Manager Han Song
	28-29 February 2024	Nanjiang, Sichuan	"New Year, New Journey" Rural Revitalization Exchange	CR Hope Village - Lianxin Yaoxi, various industrial assistance projects	General Manager Wang Cuijun
	16 March 2024	Jinggangshan Mountain, Jiangxi	Special research activities	CR Hope Town in Jinggangshan Mountain	Chen Xiaojun, Deputy General Manager
	15-16 April 2024	Yan'an, Shaanxi	Graduation Ceremony of the second phase of CR "Young Marxist Project" class and the Opening Ceremony of the third phase of the "Young Marxist Project"	CR Hope Town in Yan'an	Bai Yong, Director
	29 April 2024	Mengyin, Shandong	Groundbreaking Ceremony of CR Hope Town in Yimeng Project	CR Hope Town in Yimeng (under construction)	Bai Yong, Director
CR Hope Villages	12 June 2024	Arxan, Inner Mongolia	Groundbreaking Ceremony of CR Hope Town in Arxan Project	CR Hope Town in Arxan (under construction)	Quan Huaqiang, Chief Accountant
	30-31 July 2024	Guangshan, Henan	Site selection and examination of CR Hope Town in Guangshan	CR Hope Town in Guangshan	Lan Yi, Deputy General Manager
	18 November 2024	Lufeng, Guangdong	Groundbreaking Ceremony of CR Hope Town in Lufeng	CR Hope Town in Lufeng (under construction)	Chairman Wang Xiangming, Lan Yi, Deputy General Manager, Deputy General Manager Han Song
	9-10 January 2025	Tonghua, Jilin	China Resources Charity Foundation Annual Work Conference 2024 and Integrity Educational Training	CR Hope Town in Tonghua	Lan Yi, Deputy General Manager
	21 May 2025	Kangle, Gansu	Completion Ceremony of CR Hope Town in Kangle	CR Hope Town in Kangle	Chairman Wang Xiangming
	26 October 2024	Wengyuan, Guangdong	Groundbreaking Ceremony of CR Hope Town in Wengyuan	CR Hope Town in Wengyuan (under construction)	Lan Yi, Deputy General Manager
In response to the call of "Hundred-Thousand-Ten Thousand Project", CR Hope Villages have been donated and constructed in Guangdong	12 December 2024	Dabu, Guangdong	Groundbreaking Ceremony of CR Hope Town in Dabu	CR Hope Town in Dabu (under construction)	Lan Yi, Deputy General Manager

Developing Responsibility Capacity

Organizing the Social Responsibility Work Conference and Training, Strengthening Responsibility Empowerment

The Group highly focuses on the latest trends in social responsibility and ESG, organizes regular training conferences on social responsibility and ESG at the Group level.

Firstly, we promptly address the latest policy requirements with in-depth interpretation, including the Guiding Opinions on Central State-Owned Enterprises Fulfilling Social Responsibility to High Standards in the New Era issued by the SASAC Social Responsibility Bureau, the Corporate Sustainability Disclosure Guidelines – Basic Guidelines (Draft for Comments) issued by the Ministry of Finance, and the Guidelines on Chinese Corporate Sustainability Reports CASS-ESG 6.0 General Framework, and other latest policy requirements.

Secondly, we "form teams" among business units and listed companies to participate in professional training courses, including the ESG Senior Management Training Class organized by the China Enterprise Reform and Development Society, and other professional training courses.

Thirdly, training classes were targeted at different levels of the Group, including Outstanding Young Manager Training Classes, the CR Way, the Group's Targeted Assistance and Paired Support Training Classes, and the New Employee Training Camp, to continuously develop the teaching materials for social responsibility/ESG management and practice, and conduct lectures and dissemination.

From 27-30 April, 2025, the Sixth ESG Senior Management Specialized Training Class, jointly organized by the Group and the China Enterprise Reform and Development Society, was held at the Xiaojingwan Campus of the CR Learning and Innovation Center, with over 70 participants from central state-owned enterprises, local state-owned enterprises, and private enterprises participating in this training class.



During the group discussion session of the Sixth ESG Senior Management Specialized Training Class, the participants engaged in a lively discussion centering on the course theme.



The Group convened the 2024 Annual ESG Training Conference in Beijing on 4 June 2024.

Proactively Conducting and Actively Participating in Theoretical Research in the Field of Social Responsibility

The Group has designated theoretical research in the field of social responsibility as a key work of its functional lines. It is committed to forming guidelines for the management of key social responsibility issues through continuously conducting policy interpretation, undertaking benchmarking analysis, and other measures.

Firstly, we actively participated in research topics, including the Corporate Social Responsibility Blue Book (2024) issued by the State-owned Assets Supervision and Administration Commission (SASAC), the Central State-Owned Enterprises Social Responsibility Blue Book (2024), the Central State-Owned Enterprises ESG Blue Book (2024), and other Blue Book series research topics, and compiled typical cases. The Group's "Mission-Led" Social Responsibility Management Model was selected in the Central State-Owned Enterprises Social Responsibility Blue Book (2024) and ranked first.



On 8 August 2024, the Group organized a centralized release event for the 2024 Sustainability Report and the Group's Social Responsibility Demonstration Base Construction Guidelines.

Secondly, we have proactively conducted standards research in the field of social responsibility to enhance corporate management. Meanwhile, we actively participated in the formulation of three ESG standards and others, including the Guidelines on Chinese Corporate Sustainability Reports CASS-ESG 6.0 issued by the Chinese Academy of Social Sciences, the Guidelines for Evaluating the Maturity of Enterprises in Achieving United Nations Sustainable Development Goals issued by the China Enterprise Confederation. In addition, we promoted the participation of our business units, including CR Beverage, CR Power, CR Land, CR Sanjiu, CR Healthcare, CR Micro, and other subsidiary business units, in the preparation of over 90 sub-industry guidelines of the Guidelines on Chinese Corporate Sustainability Reports CASS-ESG 6.0.

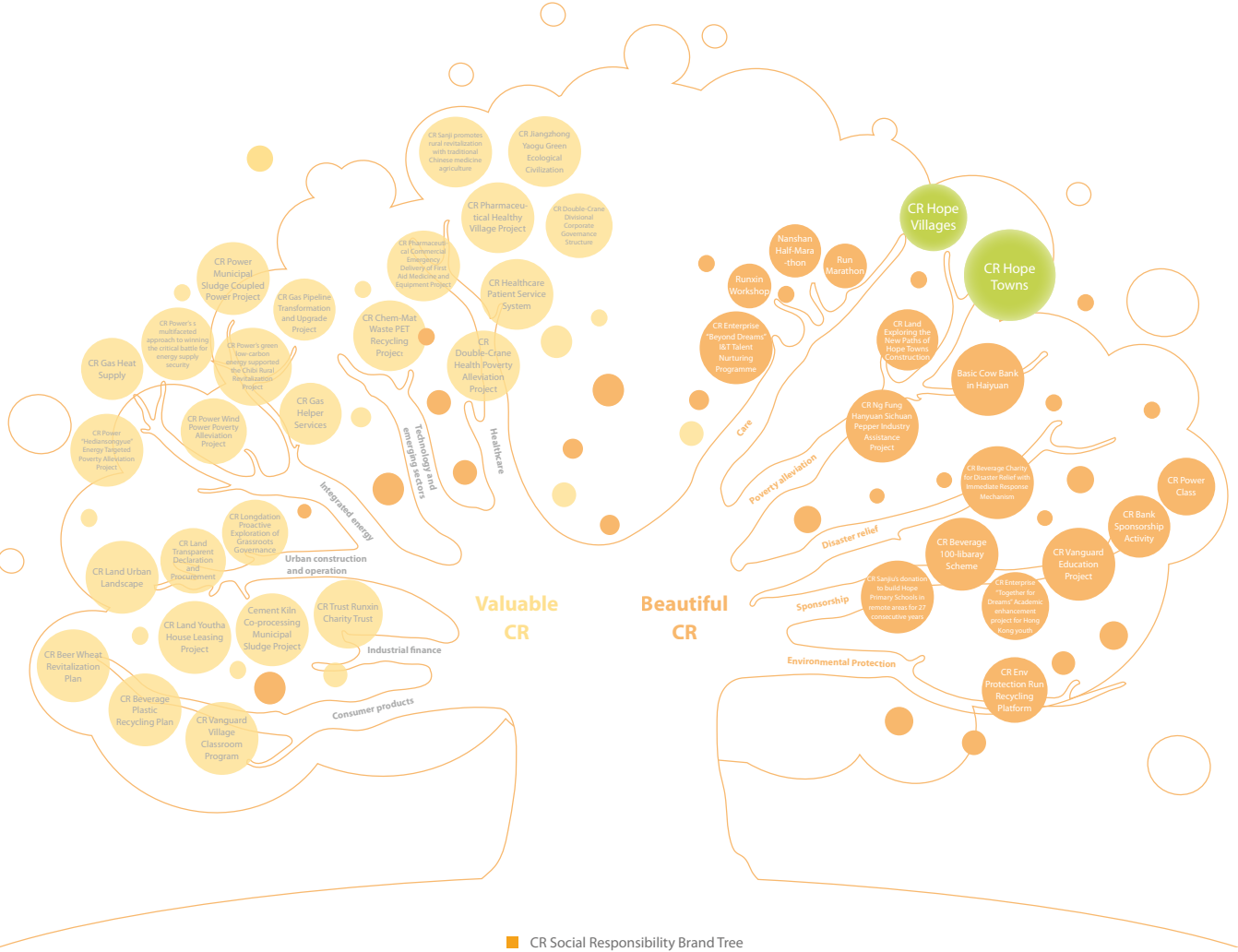
Thirdly, we proactively developed social responsibility management tools by researching and formulating the Group's Social Responsibility Demonstration Base Construction Guidelines. Through research and demonstration of typical projects, forming a methodology in four aspects, namely, construction steps, management mechanisms, operation and application, and a construction toolbox. These guidelines guide the Group's various business units to conduct social responsibility practices scientifically and in a standardized manner, deepen and solidify outstanding social responsibility practice projects, and further promote the projectization and branding of social responsibility practices.

Building a Responsibility Brand

Responsibility Brand Building Further Strengthened

The Group formally introduced the concept of the "Responsibility Brand", clarifying its connotation and extension while articulating the concept and pathway for the Group's social responsibility brand construction, continuously deepening the Responsibility Brand Tree, centering on the four key tasks of telling the CR responsibility story well, improving and perfecting its own publicity platforms, deepening the Responsibility Brand in the field of rural revitalization, and completing the "CR Hope Villages" brand design, and continuously conducting responsibility brand construction through: Firstly, continuously and dynamically refining the Responsibility Brand Tree; Secondly, continuously

conducting secondary development of the responsibility report, excavating outstanding responsibility fulfillment cases from multiple dimensions, and developing integrated media works to tell the CR responsibility story well; Thirdly, continuously integrating and refining its own resources, including the Group's corporate responsibility section on its official website, the CR Charity Foundation's official website and official Weibo, and other proprietary resources, to form a CR social responsibility "integrated media" platform for internal publicity and thorough dissemination and external centralized information disclosure; Fourthly, completing the "CR Hope Villages" brand design.



■ CR Social Responsibility Brand Tree



■ In 2024, the Group released vlog videos featuring "Responsibility Spokespersons" in Six Major Areas of Responsibility Fulfillment.



■ In 2024, the CR Charitable Foundation's Official Website was fully revamped.

Elevating the Prestige of the Social Responsibility and ESG Network

In recent years, the Group has proactively communicated and demonstrated its social responsibility. In 2024, the Group participated in over eight significant events, including the "7th China Enterprise Forum" organized by SASAC, hosted three major ESG events, such as the "CASS-ESG 6.0 Release", and invited prominent media, including CMG, to visit CR, conducting nearly 20 responsibility communication events. The Group also ventured abroad for the first time to conduct ESG Research in

South Korea, further strengthening exchanges and cooperation with higher-level authorities, including SASAC, authoritative research institutes like CASS, prominent media organizations like CMG, and world-class enterprises, thereby expanding the Group's professional social responsibility platform, enhancing its voice in the industry, and promoting the Group's ESG management enhancement.



■ The Group organized a team to participate in the ESG Research Project in South Korea to conduct ESG Research.



■ On 3 June 2024, the Group supported and participated in the "CASS-ESG 6.0 Release".



■ On 28 October 2024, the Group and the China Enterprise Reform and Development Research Society jointly organized the "ESG China - CR Hope Towns (Nanjiang) Event".



■ On 11 December 2024, the Group, the China Enterprise Reform and Development Research Society, and the CSR Cloud Research Institute jointly organized the "ESG China - CR Event".

Responsibility Assessment

To better implement social responsibility and ESG initiatives, beyond performance in areas such as Environmental Protection, safety, and compliance, the Group evaluates its business units based on their Responsibility Report Compilation Quality and Social Responsibility Practice Implementation Level.

We conducted ongoing assessments of the Responsibility Reports submitted by business units. Following the Six Criteria established by the China Social Responsibility Report Rating Expert Committee (Materiality, Completeness, Balance, Comparability, Readability, and Innovation), the Group systematically summarized and evaluated the preparation of these reports to identify issues, offer suggestions, and encourage units to rectify shortcomings, thereby fulfilling the reports'role in "Promoting Management through Compilation". We promoted and upgraded the selection process for the Group's Social Responsibility Award. Through this award, the Group evaluated

Social Responsibility Projects of each unit based on four key aspects: Strategic Alignment, Effectiveness, Innovation, and Scalability. Winning projects and their teams will be recognized at the Group's Honorary Ceremony, with their respective units receiving additional points in their annual performance contracts. Since the establishment of this award in 2017, the Group has received a total of 306 Social Responsibility Practice Cases from various departments and subsidiaries, creating positive incentives for business units and effectively encouraging them to implement Social Responsibility Practices aligned with their business characteristics.

Group ESG and Sustainability Awards 2024

Award	Winner	Winning Project
Golden	CR Land	Transforming the management service model and exploring the new path of CR Hope Towns construction
	CR Beer	Brewing Chinese beer with Chinese barley — establishing a standardized cultivation system for domestic barley, supporting the high-quality development of China's beer industry
Silver	CR Double-Crane	Constructing a "wooden"-shaped governance structure, realizing efficient corporate governance
	CR Sanjiu	"Upholding Original Aspiration · Nurturing the Heart through Rain"—27 years of continuous contribution to the Sanjiu Elementary School project
Bronze	CR Enterprise	"Together for Dreams" Academic enhancement project for Hong Kong youth
	CR Longdation	Proactive exploration of grassroots governance in Hong Kong, fulfilling the responsibilities of central state-owned enterprises in Hong Kong



On 25 March 2025, the 2024 Group ESG and Sustainability Awards were presented at the Group's Honorary Ceremony.

The Group has been conducting Social Responsibility and ESG Performance Assessments. In recent years, the Social Responsibility and ESG Performance of the Group's business units, particularly Listed Companies under the Group's Control, have been directly integrated into Corporate Operating Performance Assessments.

In accordance with the '2024 CR Business Unit Operating Performance Assessment Requirements,'business units that have established an Independent ESG/Sustainability Leadership Body, whose ESG Reports, Sustainability Reports, or Social

Responsibility Reports have received the highest ratings from authoritative third-party organizations, or that have won the 2024 Group ESG and Sustainability Awards can receive additional points in their performance contracts.

In the "2024 CR Business Unit Reform Enhancement Action Tasks and Comprehensive Performance Assessment", subordinate business units ranking lower in Social Responsibility and ESG Comprehensive Performance will face corresponding point deductions and must submit rectification plans.

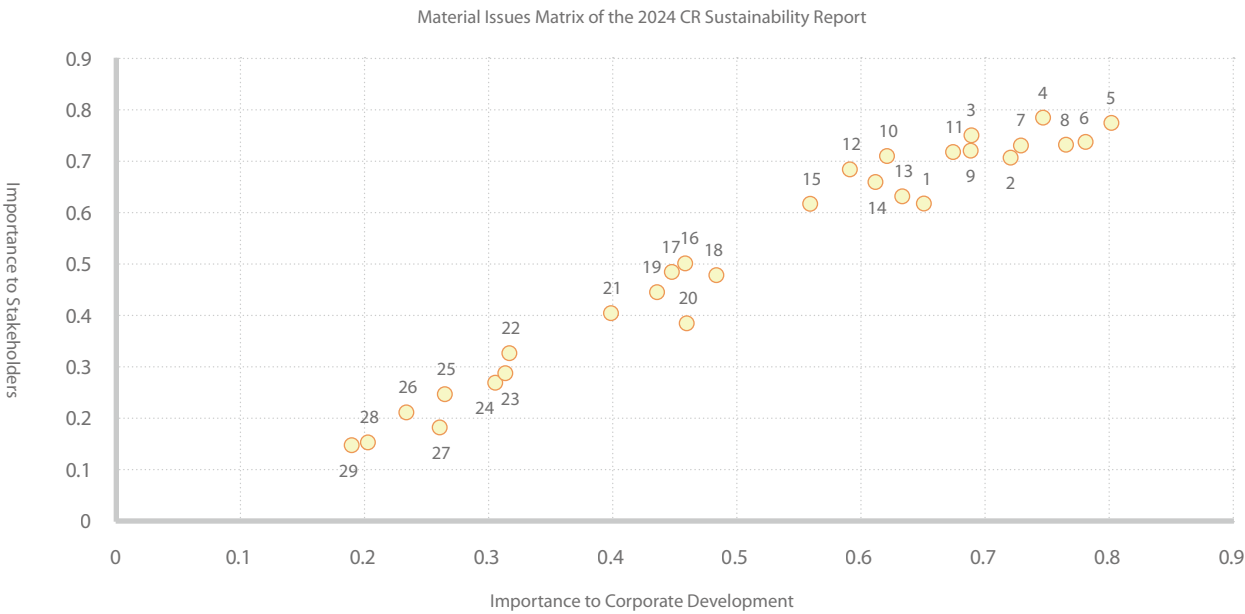
Identifying Responsibility Issues and Responding to the Demands of Stakeholders

Identification of Material Issues in the Sustainability Report

The Group has continuously conducted the identification of material issues for the Sustainability Report 2024, and further focus on significant material responsibility issues through questionnaire surveys and presented them in the sustainability report as a response to the demands of stakeholders.

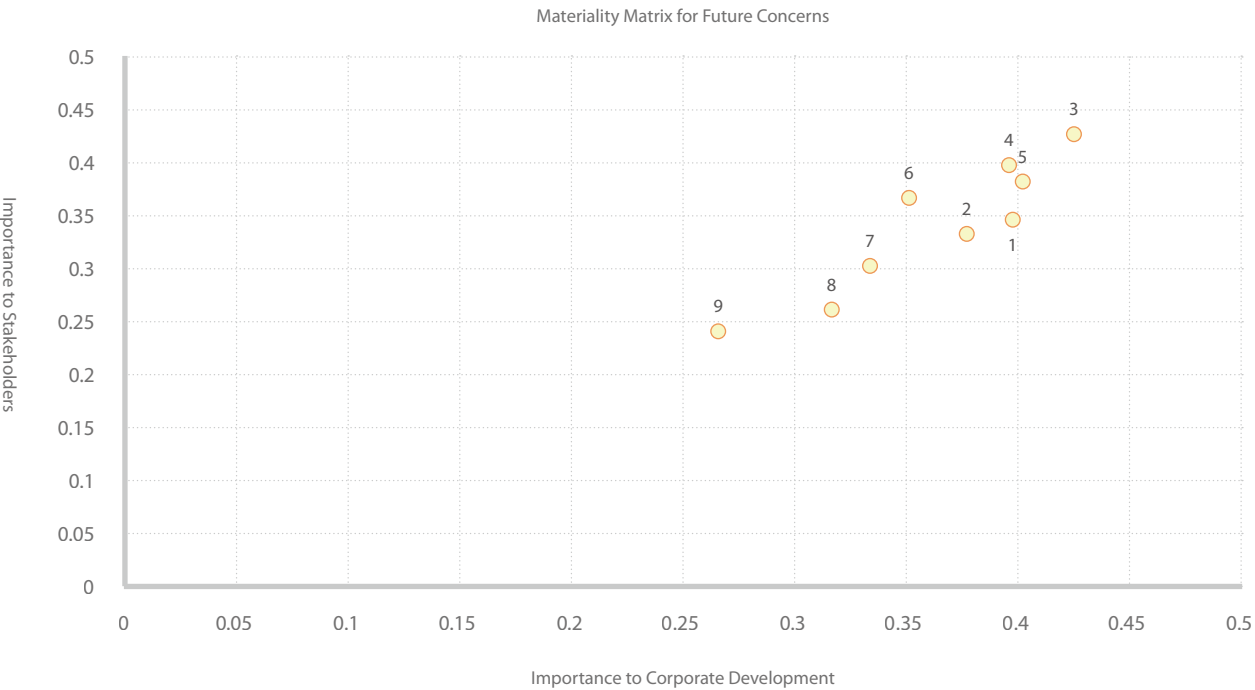
The respondents of the questionnaire included the management, employees, customers and business partners of the Group's headquarters and subsidiaries, community residents, government officials, media practitioners, CSR and ESG practitioners, NGO practitioners, and similar enterprises. A total of 15,949 valid questionnaires were collected.

Material Issues in the Sustainability Report 2024 of CR



- | | | | | | |
|----|---|----|--|----|---|
| 1 | Serving national strategies | 11 | Leading industrial development | 21 | Highlighting work safety |
| 2 | Improving corporate governance | 12 | Promoting responsible consumption | 22 | Processing energy conservation and emission reduction |
| 3 | Practicing integrity and compliance | 13 | Innovating in products and services | 23 | Enhancing corporate's Party construction activities |
| 4 | Deepening SOE reforms | 14 | Expanding international market | 24 | Supporting the development of the Greater Bay Area |
| 5 | Driving high-quality development | 15 | Strengthening the construction of cooperation platforms | 25 | Participating in the high-quality co-construction of the "Belt and Road Initiative" |
| 6 | Improving the remuneration and benefit system | 16 | Promoting responsibility fulfillment by the supply chain | 26 | ESG management |
| 7 | Unblocking career development channels | 17 | Working on responsibility communication | 27 | Developing new-quality productivity |
| 8 | Care for employees | 18 | Creating responsibility brands | 28 | Anti-corruption and business ethics development |
| 9 | Providing high-quality products/services | 19 | Participating in rural revitalization | 29 | Responding to climate change |
| 10 | Enhancing the availability of products/services | 20 | Conducting public welfare and charity | | |

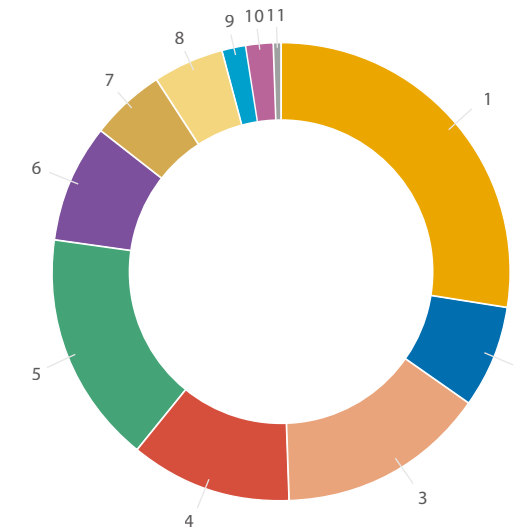
Stakeholders' Future Concerns



- | | | | | | |
|---|--|---|--|---|---|
| 1 | Supporting the development of national regional strategies (developing the Greater Bay Area, promoting the integration between the Mainland China and Hong Kong) | 2 | Deepening the reform of state-owned capital investment companies | 6 | Participating in the "dual carbon" initiative |
| 3 | Taking part in the high-quality construction of the Belt and Road Initiative | 7 | Supporting rural revitalization | | |
| 4 | Upgrading the consumption of the livelihood services | 8 | Talent team building | | |
| 5 | Developing new quality productive forces | 9 | Protecting biodiversity | | |

The Composition of Respondents

1	Customers	22.49%
2	Management (including the Group's HQs and subsidiaries)	9.23%
3	CR Employees (including the Group's HQs and subsidiaries)	16.33%
4	Business partners	11.43%
5	Community residents	18.18%
6	Government officials	8.90%
7	Media	5.27%
8	CSR/ESG practitioners	2.32%
9	NGO practitioners	2.70%
10	Personnel from peer companies	2.50%
11	Others	0.66%



Appendix

About the Report

The Report represents the 18th annual sustainability publication from China Resources (Holdings) Co., Ltd. With a commitment to objectivity, standardization, transparency, and completeness, this Report outlines the key aspects of our endeavors to implement CSR management and fulfill our responsibilities in areas such as the economy, employees, customers, environmental protection, partners, and the public during 2024. The Report is available in both Chinese and English languages. The Report is published in both Chinese and English. In case of slight differences in content, the Chinese version shall prevail.

Reliability Guarantee

The Group assures that the Report is devoid of any false information, misleading statements, or significant omissions, and is therefore accountable for the authenticity, accuracy, and completeness of the Report.

Time Span

The data contained within the Report pertains to the time frame spanning from 1 January to 31 December 2024. Certain contents may extend beyond this period.

Issue Cycle

The Report is an annual report that is released in June every year.

Explanation of the Data

The data used in the Report is sourced from the Group's internal documents and the information & statistics system (unless otherwise specified, the type and amount of currency presented in the Report are denominated in RMB).

Reference

The Directive Suggestions on the Fulfillment of Social Responsibilities by Central Enterprises issued by the SASAC of the State Council, the China Guidelines for Corporate Social Responsibility Reports (CASS-CSR4.0/CASS-ESG5.0) and the General Framework for the Chinese Corporate Sustainability Reports (CASS-ESG 6.0) issued by the Chinese Academy of Social Sciences; the Sustainable Reporting Guidelines (G4) issued by the Global Reporting Initiative (GRI); Sustainable Development Goals (SDGs) by the United Nation; Appendix 27 "Environmental, Social and Governance Reporting Code" of the "Main Board Listing Rules" of the Hong Kong Stock Exchange Limited (ESG Code); the Regulations on the Management of Social Responsibilities of China Resources (Holdings) Co., Ltd.

Special Notes

In the Report, China Resources (Holdings) Co., Ltd. is referred to as "China Resources Group", "CR", "the Group", or "we/us".

Access to the Report

The Report is available both in print and digital formats. If you need a printed edition, please send an e-mail to crc02gw@crc.com.hk; or call us at 00852-28797888 (Hong Kong)/0755-82668888 (Shenzhen). It is also available for free download from our website (<http://www.crc.com.hk/responsibility/report/>) (To minimize paper consumption, please consider selecting the e-version. Thank you!).

Key Performance Indicators (KPI) for 2022-2024

		Unit	2022	2023	2024
Environmental	Comparing with the previous year, the comprehensive energy consumption for every RMB10,000 production value at comparable prices decreased by	%	3.17	1.42	13.79
	Comparing with the previous year, the comprehensive energy consumption for every RMB10,000 business income at comparable prices decreased by	%	6.06	5.65	22.22
	Comparing with the previous year, the comprehensive energy consumption for every RMB10,000 added value at comparable prices decreased by	%	2.61	0.67	16.55
	Comparing with the previous year, CO2 emissions decreased by	%	2.06	0.11	9.35
	Comparing with the previous year, nitrogen oxide emissions decreased by	%	2.83	3.24	8.46
	Comparing with the previous year, COD emissions decreased by	%	28.67	6.8	10.07
	Total investment in environmental protection	100 million (RMB)	30.97	26.41	22
	Investment in energy saving and emission reduction technology transformation	100 million (RMB)	15.84	19.62	16.31
	Consolidated energy consumption	10,000 tonnes	3,670.35	3,743.32	3,456.60
	Total number of employees	10,000 people	37.5	39.02	39.22
Social	Newly created jobs	10,000 people	6.9	7.26	6.36
	Total pre-tax profits	100 million (RMB)	1321.8	1386.4	1416.5
	Charity donations	100 million (RMB)	2.75	4.65	4.78
	Number of volunteers	People	673	1,288	3,913
	Labor contract signing rate	%	100	100	100
	Coverage of social insurance	%	100	100	100
	Percentage of female managers (under direct administration of the Group or affiliated companies)	%	18.3	19.2	21.6
	Days of per capita average paid leave	Days	8	8	8
	Average salary	10,000 (RMB)	13.04	13.72	14.59
	Medical check-up coverage	%	100	100	100
	Employee training coverage	%	66.93	71.69	87.84
	Employee turnover rate	%	20.1	19.3	20.7
	R&D investment	100 million (RMB)	65.43	75.5	83.6
	Number of patents acquired and under application	Pieces	10,817	10,666	21,294
	Employee safety training	hours for 10,000 people	539.54	625.51	1,077.45
	Related parties safety training	hours for 10,000 people	343.8	359.18	901.90
	Fatality rate per 1,000 employees	%	0.0027	0.0076	0.0051
Governance	Investment in work safety	100 million (RMB)	19.14	21.67	29.05
	Safety training coverage	%	100%	100%	100%
	Number of emergency drills	number	38,997	45,338	68,287
	Number of dedicated safety managers	People	1,366	1,334	3,038
	Total revenue	100 million (RMB)	8,182.6	8,931.8	9,326.6
	Total profit	100 million (RMB)	836.2	881.4	926.4
	Total assets	100 million (RMB)	22,887	26,051.3	27,138.5
	ROE	%	9.54	8.2	7.8
	Rank in Fortune Global 500	rank	70	74	72

Key Indicators Index of ESG and Preparation Guidelines issued by State-owned Assets Supervision and Administration Commission (SASAC)

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Rating Report

Rating Report on 2024 Sustainability Report of China Resources (Holdings) Co., Ltd.
At the request of China Resources (Holdings) Co., Ltd., the Chinese Expert Committee on CSR Report Rating invited experts to form a rating group, to rate the 2024 Sustainability Report of China. Resources (Holdings) Co., Ltd. (hereinafter referred to as the "Report").

I. Rating Criteria
The Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0) by the Chinese Academy of Social Sciences, and the Standards for Chinese Enterprise Sustainability Report Ratings (2025) by China Corporate Social Responsibility Report Rating Expert Committee.

II. Rating Process
1. The rating group reviews the Confirmation on the Materials Related to the Preparation Process of Sustainability Report and other supporting materials submitted by the Report's preparation group.
2. The rating group draws up the rating report based on its appraisal of the preparation process and the content of the Report.
3. The rating report is signed by both the vice chairman of the Expert Committee, and experts together with the head of the rating group.

III. Conclusion
Process Management (★★★★★)
CR's General Office led the formation of the report preparation team, with the Group General Manager in his capacity as the Chairman of Strategy and Investment Committee to oversee the report regarding the Group's sustainable development. The Deputy General Manager of the Group served as the chief editor, responsible for coordination, and the Deputy Director of the Office as the deputy chief editor, guiding the execution of the specific work. All functional departments of the Group actively participated in collecting report materials, preparing, and reviewing the report. The report is positioned as a key tool to strengthen the information disclosure mechanism, promote social responsibility concepts, enhance stakeholder communication, and elevate social responsibility management, with a clear functional value. Material issues were identified based on national macro policies, international and domestic social responsibility standards, annual social responsibility priorities, significant CR matters, and stakeholder surveys. For the seventh consecutive year, the Group has achieved three-tier full coverage of social responsibility reporting, with a total of 16 independent social responsibility reports compiled by the Group and its subsidiaries. The Group plans to hold a special press conference to release the Sustainability Report, presented in electronic, printed (full and simplified versions), and responsibility Story Vlog formats, achieving outstanding process management performance.

Materiality (★★★★★)
The Report systematically disclosed key industry issues, including product quality management, product innovation, occupational health management, production safety, R&D and application of environmental technologies and

equipment, energy and water conservation, reducing Three Wastes emissions, and environmental governance around factory areas. The information is comprehensive and detailed, demonstrating outstanding materiality performance.

Completeness (★★★★★)
The Report systematically disclosed 94.81% of the Group's core indicators, from Economic Responsibility | Empowering World-Class Excellence, Employee Responsibility | Achieving Extraordinary, Customer Responsibility | Empowering a Better Life, Environmental Responsibility | Envisioning for Earth, Partner Responsibility | Creating a Healthy Ecology, and Public Responsibility | Driving Constructive Change for Communities, achieving excellent performance in completeness.

Balance (★★★★★)
The Report disclosed negative data, including employee turnover rate, mortality rate per thousand employees, product quality complaint rate, and production safety accident rate, and provided detailed descriptions of CR Beverages efficiently resolving complaints about empty bottled water, demonstrating outstanding balance performance.

Comparability (★★★★★)
The Report disclosed 48 key indicators for three consecutive years, including the Group's total revenue, total assets, R&D investment, number of new jobs created, charitable donations, and total environmental protection investment. It also conducted horizontal comparisons through the Group's Social Responsibility Development Index, which has ranked first among China's top 300 enterprises and top 100 state-owned enterprises for eight consecutive years, and the Group's ranking of 72nd in the Fortune Global 500, achieving outstanding comparability performance.

Readability (★★★★★)
With "Heading towards the "Newness", leading with "Quality" as its theme", and based on stakeholder theory, the Sustainability Report systematically presents the Group's annual progress in fulfilling its responsibilities for the economy, employees, customers, environment, partners, and the public, reflecting the Group's deep understanding of social responsibility fulfillment. The cover design, based on intangible cultural heritage batik art, integrates the Group's landmark elements and core business elements, creating a visual blend of tradition and modernity, enhancing the report's recognizability and cultural depth. Each chapter begins with a "Story" that vividly narrates responsibility practices, starting with "Concept and Vision" and key performance data, enhancing the report's communication value. Case studies and performance data are comprehensive and accurate, with well-coordinated visuals and text, achieving outstanding readability performance.

Innovation (★★★★★)
The Report has set up responsibility Story vlogs, which are one of the key efforts on responsible branding at the centralized release event of the Report. To strengthen stakeholder perception through visualization and promote the value of multi-dimensional empowerment of corporate

sustainability, we proactively conducted research on social responsibility standards. We actively participated in developing three ESG standards, which were incorporated into the "Guidelines for Sustainable Development Reporting for Chinese Enterprises 6.0". Additionally, we encouraged business units, including CR Beverage, CR Power, CR Land, CR Sanjiu, CR Healthcare, CR Microelectronics to contribute to the preparation of the 90+ sub-industry guidelines within the "Guidelines for Sustainable Development Reporting for Chinese Enterprises 6.0". These initiatives are aimed at guiding various business segments of the Group in adopting standardized and scientific social responsibility practices, effectively enhancing excellence in social responsibility practice, effectively enhancing project excellence and promoting project-based, branded social responsibility initiatives, achieving outstanding innovation performance.

Overall Rating (★★★★★+)
According to the assessment of the rating group, the Rating Report on 2024 Sustainability Report of China Resources (Holdings) Co., Ltd. was rated five-star in process management, materiality, completeness, balance, comparability, readability, and innovation, achieving an overall "Five-Star Plus" rating, setting an exemplary standard for sustainability reports.



**中国企业社会责任报告
评级专家委员会**
Chinese Expert Committee on CSR Report Rating

CR's CSR report was rated as 5-star for the fifth consecutive year, and as "five-star plus" for the sixth consecutive year.

IV. Suggestions
Consider augmenting the disclosure of core industry indicators to enhance the comprehensiveness of the Report.



Vice Chairman of the Rating Expert Committee



Head of the Rating Group



Expert of the Rating Group

Issued on: 27 June 2025



Scan the QR code to view CR's rating

Readers' Feedback

Dear readers,
Greetings!

Thank you for your time devoted to reading the Report. In our ongoing pursuit of excellence in preparing the Report and commitment to fulfilling our responsibilities, we kindly invite your valuable comments and suggestions!

1.Please indicate your stakeholder category

☐ Government employee☐ Regulatory authorities☐ Shareholder and investor

☐ Employee☐ Customer☐ Suppliers and partners

☐ Community residents☐ CSR practitioners☐ Industrial peers

☐ Others

2.What is your overall evaluation of the Report?

☐ Excellent☐ Good☐ Fair☐ Poor☐ Very Poor

3. What is your overall evaluation of the information disclosure of the Report?

☐ High☐ Relatively High☐ Moderate☐ Relatively Low☐ Low

4.What is your overall evaluation of the structure of the Report?

☐ Very Reasonable☐ Reasonable☐ Fair☐ Poor☐ Very Poor

5.What is your overall evaluation of the format and design of the Report?

☐ Very Reasonable☐ Reasonable☐ Fair☐ Poor☐ Very Poor

6..What is your overall evaluation of the readability of the Report?

☐ High☐ Relatively High☐ Moderate☐ Relatively Low☐ Low

7. Do you have any comments or suggestions for CR regarding its efforts in social responsibility fulfillment and the Report? If yes, please provide them below:



Scan the QR code to share your comments and suggestions. Your sincere suggestion serves as the catalyst for our ongoing advancement.



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