

Stock Code: 002271

Stock Name: Oriental Yuhong

Announcement No. 2023-062

BEIJING ORIENTAL YUHONG WATERPROOF TECHNOLOGY CO., LTD.

INTERIM REPORT 2023 (SUMMARY)

Part I Important Notes

This Summary is based on the full Interim Report of Beijing Oriental Yuhong Waterproof Technology Co., Ltd.

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position and future development plans, investors should carefully read the aforesaid full report, which has been disclosed together with this Summary on the media designated by the China

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2. Key Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

No

	H1 2023	H1 2022	Change (%)
Operating revenue (RMB)	16,851,932,121.34	15,306,713,510.11	10.10%
Net profit attributable to shareholders (RMB)	1,334,270,475.95	966,397,039.25	38.07%
Net profit attributable to shareholders			

Waterproof Technology Co., Ltd. HFT Fortune-Oriental Yuhong Employee Stock Ownership Single Asset Management Plan						
DCP Management, Ltd. DCP USD Fund II	Foreign legal person	1.83%	45,969,375	0		
China Merchants Bank Co., Ltd. Ruiyuan Growth Value Mixed Securities Investment Fund	Other	1.63%	41,070,120	0		
UBS AG	Foreign legal person	1.59%	40,105,617	0		
Janchor Partners Janchor Partners Pan Asian Master Fund RQFII	Foreign legal person	1.39%	34,974,679	0		
Abu Dhabi Investment Authority	Foreign legal person	1.07%	26,911,630	0		
China Merchants Bank Co., Ltd. Ruiyuan Balanced Value Three-year Mixed Securities Investment Fund	Other	1.01%	25,400,087	0		
Related or acting-in-concert parties among the shareholders above	It is unknown whether there is any related party or acting-in-concert party as defined in the Measures for the Administration of the Takeover of Listed Companies among the shareholders above.					
Shareholders involved in securities margin trading (if any)	Shareholder HFT Fortune Asset Management 2021 Employee Stock Ownership Plan of Beijing Oo24 Tm0 g105.02 274.01 53.28 36 reW*1BT/F1 9 Tf-2(g{2)-610EMC Qq158.55 116.91 374eC q31(					

4. Change of the Controlling Shareholder or the Actual Controller in the Reporting Period

Change of the controlling shareholder in the Reporting Period:

Not applicable

The controlling shareholder remained the same in the Reporting Period.

Change of the actual controller in the Reporting Period:

Not applicable

The actual controller remained the same in the Reporting Period.

5. Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Not applicable

No preferred shareholders in the Reporting Period.

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

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(1) Bond Profile

Technology Co., Ltd. in 2022 Subordinated						
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(2) Financial Indicators as of the end of the Reporting Period

Item	30 June 2023	31 December 2022
Debt/asset ratio	42.57%	46.22%
Item	H1 2023	H1 2022
EBITDA-to-interest cover (times)	46.23	36.26

Part III Significant Events

I Principal Operations of the Company in the Reporting Period

(I) Overview

In the first half of 2023, China adhered to the general keynote of seeking progress in a stable manner, implemented the new development concept completely, accurately and comprehensively, accelerated the construction of a new development pattern, and focused on promoting high-quality development, with the national economy picking up as a result. Meanwhile, considering the various external instabilities and uncertainties, more efforts are needed to drive continuous economic recovery and growth. Given the complex, changeable macro environment and multiple risks and challenges, Oriental Yuhong forged ahead with confidence and determination. Guided by the Staying True, Maintaining Integrity, Sharing Common Ambitions, and Driving Innovation Pursuing Faster Growth Unremittingly, Evolving Fiercely, and Making the Impossible Come True

During the Reporting Period, the Company continued to optimize and reform channels, changed the direct marketing mindset, and attempted to win partners, including resource partners, micro-, small- and medium-sized partners and expertise partners, at full strength, with the channel sales of partners becoming one of its main selling bodies. During the Reporting Period, the Company always gave priority to partners and empowered partner development. It kept cultivating the operational management capabilities, business expansion capabilities, and engineering service capabilities of partners, and focused on imp initiatives, realizing co-creation, co-sharing, and mutual success. The Company formulated the hierarchical policies for partners by product, by sector and by region, cultivated partnerships meticulously, beefed up leading superiority, established the unified financial settlement center and the Chief Engineer Office technical support platform that serve partners, and improved partners' ability to serve customers. It also empowered the corporate operation and professional and standard construction competence of partners, enhanced partners' overall delivery capability of serving end customers, and supported the continuous development of partners. By adhering to a results-oriented approach, the Company strengthened market presence, standardized market order, and built a marketing team capable of facing challenges head-on for the benefit of business and partners.

During the Reporting Period, to sharpen standardized construction service skills and cultivate globally competitive indusbL-20(g)10rer

and skilled talent and provided an important impetus to the high-quality development of the industry. To deepen enterprise-education integration, the Company has cooperated with 12 vocational schools nationwide and

prefabricated installation method of interior decoration. Shanghai InfinShine New Material

partners by improving market and credit management,

hardware and tube product types. In line with the core service concept of centering on customers, the Company gradually formed a one-stop building materials purchase platform for consumers, in a bid to provide consumers with a safe and reassuring living environment. For the first half of 2023, Civil Construction Materials Group registered operating revenue of RMB4,384 million, up 34.69% year on year.

1) Brand development: Civil Construction Materials Group focused on enhancing its brand influence, radiating its coverage across the region and building its brand voice. With the strategy of crowd circle expansion to empower growth, the group focused on improving the service quality and quantity of offline outlets, made outdoor advertisements more visible, expanded brand influence while actively exploring the ways to enhance brand influence, and carried out multi-dimensional publicity based on the Internet media matrix. Through the official website, WeChat public account, WeChat video account, Sina Weibo, Douyin, Zhihu, Xiaohongshu and other media platforms, the group intensified brand influence in all directions, captured online and offline wide-domain traffic, and continued to build brand influence and shape brand awareness among end users.

2) Channel development: Civil Construction Materials Group continued to cultivate lower-tier channels and improve channel operation quality to guarantee continuous, rapid and healthy channel development. It focused on weak markets, further broadened city coverage of key product categories, and strongly supported the channel expansion of new products. It highlighted dealer training and team building, helped dealers get bigger and stronger, optimized the channel structure, implemented the outlet grading system, standardized the procedures for visits and other operations, and reinforced traditional advantageous channels. Furthermore, the Company optimized the sales organizational structure, adapted to the needs of multi-product-category and multi-channel development, used the information platform for online management of sales staffers, and created a convenient and efficient management model. By the end of the Reporting Period, it had made remarkable achievements through key initiatives such as eliminating gaps, strengthening and improving distribution and expanding categories, developing nearly 700 new dealers with an annual turnover of over RMB1 million, with nearly 200,000 distribution outlets and nearly 50,000 shops. At the same time, it continued to strengthen its cooperation with decoration companies and industrial decoration companies to achieve win-win results.

The group also upgraded the operation of the exclusive store channel. Centering on product upgrading, the group launched the Premium-series new products, so that products on sale in exclusive stores were more environmental and complete. Centering on experience upgrading, the group provided premium shopping guide service and online order and local delivery service, so that consumers would have more professional and convenient experience. Centering on digital upgrading, the group built a unified retail management system and developed a strict price check mechanism, so that consumers would shop trustingly.

Through continuous expansion of the e-commerce channel, the group further met consumer demands and empowered the channel more effectively. In terms of key categories, the group developed more applicable products in light of consumer demands, and launched more DIY products mainly under the Tujiajia brand to improve consumers' DIY experience. It made available waterproofing, grouting, refresh service and hemming service on the online platform, and deepened system building, so as to provide customers with better service experience and thoroughly empower channels. In addition to mainstream e-commerce platforms such as Tmall, JD and Pinduoduo, the group opened stores and accounts in more e-commerce platforms such as Douyin for live selling, and also fully utilised the advantages of efficient online information dissemination to provide clearer product display and more efficient delivery of quality products to consumers.

3) Membership operation: The group accelerated the building of the membership operation as the core, and constructed the company-dealer-exclusive store-comprehensive operation system. Foreman members can buy products, get training and certification and exchange . Meanwhile, the group

3) Supported by the color system, DAW successfully cooperated with approximately 200 leading home decoration companies and over 4,600 regional home decoration companies. Additionally, it built more than 1,700 exclusive shops in major markets nationwide. Through the aforementioned cooperation, it achieved brand publicity and promotion and attracted customers for its products.

4) In terms of brand promotion for members, DAW deeply explored new ways of Internet interaction to empower new retail. It took the lead in launching the "Rise of Members" campaign in the industry, a new brand promotion program for members, and creating profiles of member customers. Targeting professionals, the campaign helped DAW gradually secure over one million professional members. Additionally, multiple marketing methods were adopted to enhance customer stickiness and drive them to make repurchases.

(3) Building Renovation Group's Yuhong Home Delivery Service

During the Reporting Period, the Yuhong Home Delivery Service focused on the existing market, continued to improve the service system and refine business segments, focused on primary-level communities, and is committed to opening up the last mile of Yuhong Home Delivery Service. With leakage repair as the start point of business flow, Yuhong Home Delivery Service provided diversified services, including leakage repair, refresh, door and window repair, air treatment, HVAC repair, local and overall renovation, relocation decoration, smart leakage check and smart renovation, as well as one-stop solutions centering on home repair, and built a reliable brand in the home renovation market well-known as "Yuhong Home Delivery, Your Only Choice". Guided by the "One-stop solution" concept, Yuhong Home Delivery developed business in depth in home repair, home decoration and home renovation sectors, as well as established a standard, professional and systematic service platform. Being one of the important strategies for the Company to make plans for the home decoration and home living segment, Yuhong Home Delivery Service carried out in-depth cooperation with JD Decoration and other business segments of JD. Com in offline stores, commodity supply chain, home services, and service commodity supply chain, building an omnichannel and integrated commodity, supply chain and service platform in the home decoration materials and building renovation industry. By doing so, it will achieve brand and

channel empowerment in the field of building renovation. As of the date of disclosure of the Report, Yuhong Home Delivery Service has built more than 600 stores across the country, including operation centers and community service stations.

3. New businesses. During the Reporting Period, the business segments operated by Mortar and Powder Technology and Hong Sheng New Energy, among others, made successful efforts to gather momentum.

(1) During the Reporting Period, Mortar and Powder Technology Group has always adhered to and been committed to becoming a service provider of one-stop mortar and powder supply. While continuously and steadily developing the five (Dur)5(in)-1r53FJBTBT17inIU

that are durable and safe. Its business covers engineering, procurement and construction (EPC) services for industrial and commercial distributed PV projects, energy management contracting (EMC), investment, operation and maintenance, energy storage systems, integrated services of PV power generation, power storage and power charging, as well as comprehensive energy support services. Its

industrial and commercial distributed PV roofing systems have formed a full-cycle multi-dimensional service chain that covers R&D, design, manufacturing, construction, operation and other processes, making it capable of meeting the needs of distributed PV engineering on various types of roofs. They have been applied to multiple projects, including automotive plants and data centers, as well as the Company's newly established and existing

self-

product marketing and provision of system services:

Under direct marketing, the Company directly develops, sells products to and serves the final product users and customers. It has entered into strategic cooperation agreements or long-term supply agreements with many large quality business groups. Meanwhile, it has enhanced customers' confidence by coming into direct contact with them in professional market segments such as industrial constructions, energy construction, railway, highway, rail transit, tunnels and underground projects, projects that concern people's livelihood, among other things. Additionally, it has established a long-term and stable partnership in terms of material supply and system services. Direct marketing has provided substantial assurance for increasing the Company's visibility in the industry. Under the channel of dealers, the Company directly develops, sells products to and serves the final product users and customers via channel partners.

special operation of regions, as well as developing and empowering various partners, they have enhanced local market coverage and penetration. Meanwhile, all sales channels and business lines worked together to drive up local market share. In the meantime, by actively leveraging the synergy between customer resources and sales channels accumulated based on the main business of waterproofing, the Company developed mortar and powder, building coating materials, energy saving and heat preservation materials, and other businesses, providing complete building material solution packages for customers.

2. The retail channel dealer

Yuhong Home Delivery Service division. An all-in-one composite marketing network covering dealers of home decoration companies, construction material supermarkets, construction material markets, operation centres, and community service stations as well as e-commerce platforms has

Since its establishment, the Company has been providing high-quality, integrated construction material and system soluti

Engineering	6,142,050,842.49	36.45%	4,848,293,435.59	31.67%
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