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華潤建材科技控股有限公司

China Resources Building Materials Technology Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1313)

**CONTINUING CONNECTED TRANSACTIONS
FRAMEWORK AGREEMENT FOR
INTEGRATED ENERGY PROJECTS**

Reference is made to the announcement of the Company dated 8 November 2023 in relation to, among others, the entering into of the 2023 Framework Agreement between the Company and CR Power in relation to the cooperation on the Integrated Energy Projects and the annual caps thereunder. As the 2023 Framework Agreement and the annual caps thereunder will expire soon, on 27 December 2024, the Company and CR Power entered into the 2024 Framework Agreement for a term of three years and renewed the annual caps accordingly.

The proposed annual caps of RMB130,000,000 per annum have been determined with reference to, among others, the following factors: (i) the historical transaction amount; (ii) the expected scopes and scale of cooperation between the parties for the next three years; (iii) the expected level, quality, suitability and time required for the provision of tailor-made services and technical support to be provided by CR Power Group to the Group; and (iv) the Group's demand on the Integrated Energy Projects for its business development.

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual caps of the 2024 Framework Agreement exceed 0.1% but are less than 5%, the continuing connected transactions contemplated under the 2024 Framework Agreement are only subject to the reporting, announcement and annual review requirements but are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 8 November 2023 in relation to, among others, the entering into of the 2023 Framework Agreement between the Company and CR Power in relation to the cooperation on the Integrated Energy Projects and the annual caps thereunder. As the 2023 Framework Agreement and the annual caps thereunder will expire soon, on 27 December 2024, the Company and CR Power entered into the 2024 Framework Agreement for a term of three years and renewed the annual caps accordingly.

THE 2024 FRAMEWORK AGREEMENT

(1) Date

27 December 2024

(2) Parties

- (a) the Company; and
- (b) CR Power.

(3) Term

From 1 January 2025 to 31 December 2027.

(4) Subject Matter – Integrated Energy Projects

CR Power Group will utilize the rooftops, idle lands and relevant storage and operation space of the Group to install photovoltaic power station facilities and will supply power and provide integrated energy services to the Group after photovoltaic power stations are put into operation; CR Power Group will take advantage of its power industry resources to construct energy storage and cold storage projects to supply power and provide integrated energy services to the Group based on the peak-to-trough price difference of the Group's power consumption throughout the whole day and in accordance with energy consumption needs and conditions of the Group.

(5) Pricing Policy

The pricing policy of the 2024 Framework Agreement will be based on the market prices determined by ascertaining the prevailing prices at which the same or similar type of products or services are provided by or to or between independent third parties under normal commercial terms in the ordinary course of business, in each case taking into account the applicable circumstances, including but not limited to the relevant policies and regulations of PRC and provincial power system reformation and the configuration, cost, profit, resources, experience, quality assurance requirements and technical solutions of relevant parties.

When determining the market prices of any transaction under the 2024 Framework Agreement for the power supply from CR Power Group to the Group, the business team of the Group and CR Power Group would compare the power tariffs of the same type of other projects in the vicinity of the relevant power projects, obtain market and industry data on such power tariffs from time to time through public available information, and understand the market price trends on a regular basis (if applicable).

The parties will review and ensure that the terms and pricing of the transactions to be conducted under the 2024 Framework Agreement are consistent with those of other independent third parties.

Payment arrangement for specific transactions will be negotiated and agreed in each formal cooperation agreement.

INTERNAL CONTROL MEASURES

In order to ensure that all continuing connected transactions of the Group comply with the Listing Rules, the Company has formulated various management measures in place for the compliance and ongoing monitoring of continuing connected transactions. According to the contract management measures and connected transaction management measures of the Company, all agreements for connected transactions are required to complete contract approval and monitoring procedures on the Company's designated online platform prior to execution. The connected transaction management measures of the Company had also set forth the procedures for management of continuing connected transactions.

Before entering into the 2024 Framework Agreement in its ordinary and usual course of business, the Group has conducted research study on the market price fairness by obtaining and comparing the prevailing price quotations and pricing terms of the same or similar transactions from other independent suppliers in the vicinity according to its internal approval and monitoring procedures for continuing connected transactions, in order to select suppliers upon comprehensive consideration of various assessment criteria (including but not limited to the prices, the level and quality of tailor-made services, suitability, payment terms, and time required for the provision of goods or services) and determine the relevant terms through arm's length negotiations based on the business needs of the project, the types and scale of the procurement. The market research study report which contains such quotes and the 2024 Framework Agreement shall be reviewed by the management, finance personnel, legal personnel and other relevant departments of the Company according to the Group's internal approval and monitoring procedures. Afterwards, the 2024 Framework Agreement, the continuing connected transactions contemplated thereunder and the annual caps would be submitted to the Board for consideration and approval.

The finance department of the relevant members of the Group shall be responsible for the monthly reporting of the amount of continuing connected transactions to the finance department of the Company for monitoring the annual caps of the relevant transactions every month and issuing warning to the Board, relevant departments and business units of the Group when the utilization rate of annual cap reaches 80%, which will facilitate the Board to consider implementation of relevant response measures such as the revision of annual cap. In addition, the legal and compliance department of the Company shall regularly sample check the compliance of continuing connected transactions pursuant to the requirements of the Listing Rules, the management measures for connected transactions and internal control procedures of the Company.

The continuing connected transactions shall also be subject to review and audit by independent non-executive Directors and auditors respectively every year pursuant to Chapter 14A of the Listing Rules. The independent non-executive Directors shall review the continuing connected transactions every year and confirm to the Board as to whether the transactions have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and according to the agreement governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole. The independent auditors shall provide a letter to the Board every year to confirm as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of the Group in all material respects, are not entered into in accordance with the relevant agreement governing the transactions in all material respects or have exceeded the cap.

ANNUAL CAPS AND BASIS OF DETERMINATION

The annual caps for the Integrated Energy Projects contemplated under the 2024 Framework Agreement for the year ending 31 December 2025, the year ending 31 December 2026 and the year ending 31 December 2027 are RMB130,000,000 per annum.

The proposed annual caps have been determined with reference to, among others, the following factors: (i) the historical transaction amount; (ii) the expected scopes and scale of cooperation between the parties for the next three years; (iii) the expected level, quality, suitability and time required for the provision of tailor-made services and technical support to be provided by CR Power Group to the Group; and (iv) the Group's demand on the Integrated Energy Projects for its business development.

The continuing connected transactions contemplated under the 2024 Framework Agreement are recurring in nature and continue in the ordinary and usual course of business of the Group.

Set out below are the approximate historical amounts of the Integrated Energy Projects entered into between the Group and CR Power Group under the 2023 Framework Agreement:

	Approximate historical amounts
	<i>RMB</i>
for the year ended 31 December 2023	19,229,000
for the ten months ended 31 October 2024	36,272,000

The Group has been actively promoting photovoltaic power generation projects to enhance production efficiency, energy saving and carbon reduction. Since entering into the 2023 Framework Agreement, relevant members of the Group and relevant members of CR Power Group successively entered into formal cooperation agreements, and the Integrated Energy Projects had been launched at various production plants of the Group in phases in an orderly manner. Some of the Integrated Energy Projects had successively completed construction and put into operation, in which costs for procurement of power and integrated energy services had been incurred, whereas some other Integrated Energy Projects are still under construction. Larger annual caps were proposed under the 2024 Framework Agreement to cater for the estimated transaction amounts after all Integrated Energy Projects had completed construction and put into operation.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The transactions contemplated under the 2024 Framework Agreement serve as a good opportunity for the Group to explore the possibility of the use of integrated energy which is in line with the Chinese government's policy of "carbon peaking and carbon neutrality". CR Power Group possesses the relevant qualifications and capabilities to provide stable and satisfactory integrated energy services to the Group. The cooperation under the 2024 Framework Agreement will support the development within the China Resources Group on normal commercial terms and on a scale which will not place the Group's resources at risk or affect its relationship with other independent third-party suppliers.

All Directors (including the independent non-executive Directors) are of the view that the continuing connected transactions contemplated under the 2024 Framework Agreement are negotiated on arm's length basis, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and the terms of the 2024 Framework Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CRC, being the controlling shareholder of the Company, indirectly holds approximately 61.73% of the shares issued by CR Power. Accordingly, under Chapter 14A of the Listing Rules, CR Power is a connected person of the Company and the transactions contemplated under the 2024 Framework Agreement constitute continuing connected transactions of the Company.

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual caps of the 2024 Framework Agreement exceed 0.1% but are less than 5%, the continuing connected transactions contemplated under the 2024 Framework Agreement are only subject to the reporting, announcement and annual review requirements but are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. ZHOU Bo is the common director of both CR Power and the Company, as good corporate governance measure, he absented himself from the Board meeting when the 2024 Framework Agreement and the transactions contemplated thereunder were discussed, voted and approved. Save as disclosed above, none of the Directors has any material interest in the 2024 Framework Agreement and the transactions contemplated thereunder or abstained from voting on the relevant Board resolutions approving the 2024 Framework Agreement and the transactions contemplated thereunder.

INFORMATION OF THE PARTIES TO THE TRANSACTIONS AND THEIR ULTIMATE BENEFICIAL OWNER

CR Power

CR Power was incorporated in Hong Kong with limited liability and the shares of CR Power have been listed on the Stock Exchange since 12 November 2003 (stock code: 836). CR Power Group is principally engaged in the investment, development, operation and management of power plants in China. As at the date of this announcement, CR Power is indirectly owned by CRH with approximately 61.73% equity interests. The ultimate beneficial owner of CR Power is CRC, which is beneficially owned by the State-owned Assets Supervision and Administration Commission of the State Council of PRC.

The Company and the Group

The Company is a company incorporated in the Cayman Islands with limited liability, whose shares are listed and traded on the main board of the Stock Exchange (stock code: 1313). As at the date of this announcement, approximately 68.72% of the shares issued by the Company are indirectly held by CRH, which in turn is ultimately owned by CRC. The Group is principally engaged in the manufacture and sale of cement, concrete, aggregates and other related products and services in PRC and Hong Kong.

CRC

CRC, the ultimate beneficial owner of the Company and CR Power, is a company established in PRC with limited liability and is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council of PRC. It is the holding company of CRH, and is a conglomerate which holds a variety of businesses in PRC and Hong Kong including but not limited to consumer products, integrated energy, urban construction and operation, healthcare, industrial finance, technology and emerging sectors.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“2023 Framework Agreement”	the Framework Agreement for the Cooperation on Integrated Energy Projects entered into between the Company and CR Power on 8 November 2023;
“2024 Framework Agreement”	the Framework Agreement for the Cooperation on Integrated Energy Projects entered into between the Company and CR Power on 27 December 2024;
“Board”	board of Directors;
“Company”	China Resources Building Materials Technology Holdings Limited (華潤建材科技控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose shares are listed and traded on the Main Board of the Stock Exchange (stock code: 1313);
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“continuing connected transactions”	has the meaning ascribed thereto under the Listing Rules;
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules;

“CRC”	China Resources Company Limited (中國華潤有限公司), a company established in PRC with limited liability, the ultimate holding company and the ultimate beneficial owner of the Company and CR Power;
“CRH”	China Resources (Holdings) Company Limited (華潤(集團)有限公司), a company incorporated in Hong Kong with limited liability, the intermediate holding company of the Company and CR Power, which is ultimately and wholly owned by CRC;
“CR Power”	China Resources Power Holdings Company Limited (華潤電力控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 836);
“CR Power Group”	CR Power and its subsidiaries;
“Director(s)”	the director(s) of the Company;
“Group”	the Company, its subsidiaries, its associates and its joint ventures;
“Hong Kong”	the Hong Kong Special Administrative Region of PRC;
“Integrated Energy Projects”	has the meaning ascribed thereto in the section headed “Subject Matter – Integrated Energy Projects” in this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC” or “China”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of PRC; and

“Stock Exchange”

The Stock Exchange of Hong Kong Limited.

By order of the Board
**CHINA RESOURCES BUILDING MATERIALS
TECHNOLOGY HOLDINGS LIMITED**
JING Shiqing
Chief Executive Officer and Executive Director

Hong Kong, 27 December 2024

In this announcement, the English names of PRC government authorities or entities are translations of their Chinese names and included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

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