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BBMG 金隅

北京金隅集團股份有限公司
BBMG Corporation*

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2009)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

FINANCIAL HIGHLIGHTS

- Operating revenue of approximately RMB49,136.3 million, decreased by approximately 10.7% from the interim period of 2022
- Gross profit margin from principal business of approximately 10.9%, decreased by approximately 4.0 percentage points from the interim period of 2022
- Net profit of approximately RMB14.7 million, decreased by approximately 99.4% from the interim period of 2022
- Net profit attributable to shareholders of the parent company of approximately RMB410.1 million, decreased by approximately 77.7% from the interim period of 2022
- Core net profits attributable to the shareholders of the parent company (excluding the net gains after tax on the fair value of investment properties) of approximately RMB201.4 million, decreased by approximately RMB1,416.8 million or 87.6% from the interim period of 2022
- Basic earnings per share attributable to the shareholders of the parent company was approximately RMB0.0025

* *For identification purposes only*

The board of directors (the "**Board**") of BBMG Corporation (the "**Company**" or "**BBMG**") is pleased to announce the unaudited interim financial results and financial position of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2023 (the "**Reporting Period**"), prepared in accordance with the China Accounting Standards for Business Enterprises, together with the comparative figures for the corresponding period of 2022. These interim financial results have been reviewed by the audit committee of the Company (the "**Audit Committee**") and Ernst & Young Hua Ming LLP, the auditor of the Company.

RESULTS OF OPERATIONS

During the Reporting Period, the Group achieved a net profit attributable to shareholders of the parent company of approximately RMB410.1 million, representing a decrease of approximately RMB1,425.5 million or approximately 77.7% over the corresponding period of last year; basic earnings per share was approximately RMB0.0025 (for the six months ended 30 June 2022: RMB0.13), representing a decrease of approximately RMB0.1275 per share over the corresponding period of last year; total equity attributable to the shareholders of the parent company was approximately RMB71,460.4 million at the end of the Reporting Period, representing an increase of approximately RMB7,830.5 million from the beginning of the Reporting Period.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend in respect of the six months ended 30 June 2023 (for the six months ended 30 June 2022: Nil).

UNAUDITED CONSOLIDATED INCOME STATEMENT

Unit: RMB

	Notes	**For the six months ended 30 June 2023 (Unaudited)**	For the six months ended 30 June 2022 (Unaudited)
Operating revenue	*3*	**49,136,301,172.13**	55,033,121,530.89
Less: Operating costs	*4*	**43,624,250,774.73**	46,646,807,462.05
Tax and surcharges		**364,349,273.53**	814,069,108.33
Selling expenses	*5*	**1,140,672,621.36**	1,130,350,447.37
Administrative expenses	*6*	**3,267,483,302.50**	3,224,908,186.31
Research and development expenses	*7*	**260,995,648.21**	196,413,341.28
Finance costs	*8*	**1,295,006,381.58**	1,515,177,756.22
Including: Interest expense		***1,332,249,656.17***	*1,518,860,577.73*
Interest income		***142,753,690.75***	*102,038,167.45*
Add: Other gains	*9*	**234,156,833.80**	244,215,001.18
Investment gains	*10*	**129,104,624.11**	187,695,338.92
Including: Gains from investment in associates and joint ventures		***62,339,666.03***	*148,318,125.69*
Derecognition gains on financial assets measured at amortized cost		***8,723,280.95***	*5,083,445.71*
Gains from changes of fair value	*11*	**336,701,770.55**	308,853,821.23
Credit impairment losses	*12*	**(60,825,197.19)**	(80,310,951.02)
Asset impairment losses	*13*	**(89,319,090.45)**	(31,906,481.38)
Gains on disposal of assets	*14*	**619,723,080.46**	44,535,928.04
Operating profit		**353,085,191.50**	2,178,477,886.30
Add: Non-operating revenue	*3*	**123,806,765.41**	1,261,016,989.61
Less: Non-operating expenses	*4*	**51,210,116.46**	65,014,011.07
Total profit		**425,681,840.45**	3,374,480,864.84
Less: Income tax expenses	*15*	**411,023,101.69**	954,983,191.31
Net profit		**14,658,738.76**	2,419,497,673.53
Classified by continuing operations			
Net profit from continuing operations		**14,658,738.76**	2,419,497,673.53
Classified by attribution of ownership			
Net profit attributable to the shareholders of the parent company		**410,060,289.04**	1,835,550,026.15
Minority interests		**(395,401,550.28)**	583,947,647.38

UNAUDITED CONSOLIDATED INCOME STATEMENT (Continued)

Unit: RMB

	Note	**For the six months ended 30 June 2023 (Unaudited)**	For the six months ended 30 June 2022 (Unaudited)
Net other comprehensive income after tax		**(38,148,589.37)**	(82,550,921.12)
Net other comprehensive income after tax attributable to shareholders of the parent company		**(3,991,131.30)**	(44,447,249.01)
Other comprehensive income not allowed to be reclassified into profit or loss			
Changes arising from re-measurement of defined benefit plans		**(5,892,568.75)**	3,000.00
Changes in fair value of investment in other equity instruments		**(18,584,933.91)**	(44,694,275.44)
Other comprehensive income to be reclassified into profit or loss			
Other comprehensive income that may be reclassified into profit or loss under the equity method		**(11,617,443.80)**	(4,488,377.41)
Cash flow hedging reserves		**4,359,230.05**	733,367.25
Exchange differences on foreign currency translation		**13,792,094.71**	3,999,036.59
The difference between the fair value and the carrying value of the inventories/self-occupied properties on the date when it changed to the investment properties measured with the fair value model		**13,952,490.40**	–
Net other comprehensive income after tax attributable to minority interests		**(34,157,458.07)**	(38,103,672.11)
Total comprehensive income		**(23,489,850.61)**	2,336,946,752.41
Including:			
Total comprehensive income attributable to the shareholders of the parent company		***406,069,157.74***	*1,791,102,777.14*
Total comprehensive income attributable to minority interests		***(429,559,008.35)***	*545,843,975.27*
Earnings per share	*16*		
Basic earnings per share (RMB/share)		**0.0025**	0.13
Diluted earnings per share (RMB/share)		**0.0025**	0.13

UNAUDITED CONSOLIDATED BALANCE SHEET

Unit: RMB

	Notes	**As at 30 June 2023 (Unaudited)**	As at 31 December 2022 (Audited) (Restated)
Current Assets			
Cash and bank balances		**21,850,046,917.20**	15,996,435,857.72
Financial assets held for trading		**941,424,901.02**	1,116,954,484.86
Bills receivable	*18*	**525,792,951.21**	422,263,122.28
Accounts receivable	*19*	**10,334,288,685.06**	7,618,174,146.44
Receivables financing		**1,580,541,611.46**	1,496,573,941.98
Prepayments		**2,020,768,191.34**	1,705,162,281.88
Other receivables		**7,407,392,591.51**	7,357,457,848.35
Inventories		**103,699,878,066.67**	111,184,131,016.91
Contract assets		**251,507,856.65**	222,802,259.67
Non-current assets due within one year		**462,984,281.96**	269,845,114.30
Other current assets		**9,381,568,006.55**	9,434,556,250.42
Total current assets		**158,456,194,060.63**	156,824,356,324.81
Non-current assets			
Debt investments		**877,012,728.03**	1,155,764,072.96
Long-term receivables		**2,092,101,004.94**	2,851,242,784.44
Long-term equity investments		**7,042,449,089.68**	7,736,678,183.35
Investment in other equity instruments		**728,361,279.94**	773,948,747.65
Other non-current financial assets		**353,114,503.91**	263,969,459.46
Investment properties		**42,039,315,951.32**	38,705,919,637.25
Fixed assets		**42,545,819,050.32**	43,653,968,153.58
Construction in progress		**4,462,964,333.91**	3,604,955,673.02
Right-of-use assets		**938,728,193.97**	953,854,888.87
Intangible assets		**15,953,643,698.92**	15,887,353,097.03
Goodwill		**2,513,503,266.59**	2,513,503,266.59
Long-term deferred expenditures		**1,830,416,025.86**	1,763,529,449.55
Deferred income tax assets		**4,009,470,892.25**	3,866,646,541.48
Other non-current assets		**596,276,625.16**	1,004,096,765.50
Total non-current assets		**125,983,176,644.80**	124,735,430,720.73
Total assets		**284,439,370,705.43**	281,559,787,045.54

UNAUDITED CONSOLIDATED BALANCE SHEET (Continued)
Unit: RMB

	Notes	**As at 30 June 2023 (Unaudited)**	As at 31 December 2022 (Audited) (Restated)
Liabilities and equity attributable to shareholders			
Current liabilities			
Short-term loans	*20*	**28,857,028,413.50**	25,482,825,771.43
Bills payable	*21*	**4,030,187,043.11**	3,633,062,025.07
Accounts payable	*22*	**19,396,130,017.95**	19,027,359,975.08
Receipts in advance		**316,678,464.46**	315,238,031.96
Contract liabilities		**33,571,122,656.23**	30,357,771,576.04
Wages payable		**282,520,990.57**	541,223,371.35
Tax payable		**1,087,123,190.76**	1,841,142,424.48
Other payables		**7,250,952,135.78**	9,241,191,495.17
Non-current liabilities due within one year		**15,407,145,309.12**	16,724,946,325.58
Short-term financing bonds	*23*	**7,051,501,917.81**	5,000,000,000.00
Other current liabilities		**5,458,892,780.29**	6,679,901,096.51
Total current liabilities		**122,709,282,919.58**	118,844,662,092.67
Non-current liabilities			
Long-term loans	*24*	**36,387,608,955.35**	32,637,155,002.48
Bonds payable	*23*	**23,017,304,333.99**	26,493,958,938.44
Lease liabilities		**489,156,477.19**	481,532,950.83
Long-term payables		**274,998,255.83**	299,650,814.94
Long-term wages payable		**448,298,516.16**	449,511,908.54
Accrued liabilities		**456,279,436.02**	478,333,744.87
Deferred income		**782,770,219.87**	762,550,771.11
Deferred income tax liabilities		**6,244,704,084.70**	6,216,182,188.96
Other non-current liabilities		**279,197.28**	310,124.31
Total non-current liabilities		**68,101,399,476.39**	67,819,186,444.48
Total liabilities		**190,810,682,395.97**	186,663,848,537.15

UNAUDITED CONSOLIDATED BALANCE SHEET (Continued)
Unit: RMB

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Equity attributable to shareholders		
Share capital	**10,677,771,134.00**	10,677,771,134.00
Other equity instruments	**24,999,000,000.00**	16,499,000,000.00
Including: Perpetual bonds	***24,999,000,000.00***	*16,499,000,000.00*
Capital reserve	**5,432,314,011.21**	5,432,314,011.21
Other comprehensive income	**682,311,170.39**	686,302,301.69
Specific reserve	**86,153,140.07**	62,794,408.27
Surplus reserve	**2,620,134,353.87**	2,620,134,353.87
General risk reserve	**495,759,173.46**	495,759,173.46
Retained earnings	**26,467,000,201.88**	27,155,839,982.99
Total equity attributable to the shareholders of the parent company	**71,460,443,184.88**	63,629,915,365.49
Minority interests	**22,168,245,124.58**	31,266,023,142.90
Total equity attributable to shareholders	**93,628,688,309.46**	94,895,938,508.39
Total liabilities and equity attributable to shareholders	**284,439,370,705.43**	281,559,787,045.54

Notes:

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS, MAJOR ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND CHANGES IN ACCOUNTING POLICIES

The financial statements are prepared in accordance with the "Accounting Standards for Business Enterprises – Basic Standards" issued by the Ministry of Finance and the specific accounting standards, application guidelines, interpretations and other relevant regulations (collectively referred to as "**Accounting Standards for Business Enterprises**") subsequently issued and revised.

The financial statements are presented on a going concern basis.

Except for certain financial instruments and investment properties, the financial statements have been prepared under the historical cost convention. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant provisions.

The specific accounting policies and accounting estimates have been prepared by the Group based on actual production and operation characteristics, as mainly embodied in the provision for bad debt of accounts receivable, inventory valuation methods, the depreciation of fixed assets, revenue recognition and measurement, the recognition and allocation of development costs on properties under construction, etc.

Changes in accounting policies

Recognition of deferred income taxes in relation to the lease and retirement obligation

According to the Interpretation No. 16 of Accounting Standards for Business Enterprises issued in 2022, a single transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or deductible tax loss, and where the equivalent taxable temporary differences and deductible temporary differences arise from the initial recognition of assets and liabilities, is not applicable to the provisions in relation to exemption of the initial recognition of deferred income taxes. The above provisions came into force since 1 January 2023, for lease transaction that lease liabilities are initially recognized and included in the right-of-use assets on the commencement date of the lease term, and transactions that accrued liabilities are recognized and charged to the costs of fixed assets as a result of the retirement obligation of fixed assets, it shall recognize corresponding deferred income tax liabilities and deferred income tax assets, respectively, instead of the original unrecognition of deferred income taxes due to the taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities. According to the transitional provisions, the Group made adjustments to the above-mentioned transactions that occurred between the beginning of the earliest period of presentation of financial statements in which the interpretation was first applied and the date of change in accounting policies; for taxable temporary differences and deductible temporary differences arising from the lease liabilities and right-of-use assets and accrued liabilities and fixed assets related to the retirement obligation recognized due to the above-mentioned transactions that applied such interpretation at the beginning of the earliest period of presentation of financial statement in which the interpretation was first applied, the adjustments by the Group have no cumulative impact on retained earnings at the beginning of the earliest period of presentation of financial statements.

The major impacts of the retroactive adjustment caused by the above change in accounting policies on financial statement are as follows:

The Group

Unit: RMB

30 June 2023

	Before change in accounting policies Balance at the beginning of the period	**Change in accounting policies Lease and retirement obligations**	**After change in accounting policies Balance at the beginning of the period**
Deferred income tax assets	**3,826,913,824.26**	**39,732,717.22**	**3,866,646,541.48**
Deferred income tax liabilities	**6,176,449,471.74**	**39,732,717.22**	**6,216,182,188.96**

31 December 2022

	Before change in accounting policies Balance at the beginning of the year	Change in accounting policies Lease and retirement obligations	After change in accounting policies Balance at the beginning of the year
Deferred income tax assets	3,711,928,081.48	36,919,720.12	3,748,847,801.60
Deferred income tax liabilities	6,044,933,885.02	36,919,720.12	6,081,853,605.14

The above change in accounting policies has no impact on the financial statements of the Company.

2. OPERATING SEGMENT INFORMATION

Operating segments

For management purposes, the Group is organised into business units based on their products and services. The Group has two reportable segments as follows.

(1) modern green building materials segment engages in the manufacture and sale of cement and concrete, the manufacture and sale of building materials and furniture and commerce logistics and services.

(2) property development and operation segment engages in property development and sales, invests in properties for their potential rental income and/or for capital appreciation, and provides management and security services to residential and commercial properties.

The management manages the results of each business unit separately for the purpose of making decisions about resource allocation and performance assessment. Segment results are evaluated based on the profits of reportable segment. It represents the indicator after adjustments have been made to total profit, and other than the exclusion of overheads attributable to the headquarters, the indicator is consistent with the Group's total profit.

Segment assets and liabilities exclude unallocated assets and liabilities attributable to headquarters as these assets and liabilities are under integrated management by the Group.

The prices for transfers between operating segments are determined with reference to the fair prices adopted for transactions with third parties and by negotiation between the parties.

For the six months ended 30 June 2023 (Unaudited)

Unit: RMB

	Modern green building materials	Property development and operation	Unallocated assets/ liabilities/expenses of the headquarters	Adjustments and eliminations	Total
Revenue from external transactions	38,180,085,494.53	10,956,215,677.60	–	–	49,136,301,172.13
Revenue from inter-segment transactions	750,008,989.21	358,338,812.66	–	(1,108,347,801.87)	–
	38,930,094,483.74	11,314,554,490.26	–	(1,108,347,801.87)	49,136,301,172.13
Gains on investment in joint ventures and associates	70,944,234.31	(8,604,568.28)	–	–	62,339,666.03
Asset impairment losses	(2,919,316.67)	(86,399,773.78)	–	–	(89,319,090.45)
Credit impairment losses	(74,482,050.52)	13,656,853.33	–	–	(60,825,197.19)
Depreciation and amortisation cost	2,320,633,562.97	237,197,053.18	45,070,932.35	–	2,602,901,548.50
Total profits	(257,843,153.72)	1,023,014,682.10	(340,453,720.93)	964,033.00	425,681,840.45
Income tax expense	34,650,807.10	461,244,716.57	(85,113,430.23)	241,008.25	411,023,101.69
Total assets	118,867,764,601.84	203,873,959,655.15	687,288,492.98	(38,989,642,044.54)	284,439,370,705.43
Total liabilities	71,097,676,367.51	133,881,789,382.87	24,611,669,407.01	(38,780,452,761.42)	190,810,682,395.97
Long-term equity investment in joint ventures and associates	1,599,476,166.51	5,442,972,923.17	–	–	7,042,449,089.68
Increase in other non-current assets, excluding long-term equity investments	2,468,463,363.27	3,626,751,395.25	–	–	6,095,214,758.52

For the six months ended 30 June 2022 (Unaudited)

Unit: RMB

	Modern green building materials segment	Property development and operation segment	Unallocated assets/ liabilities/expenses of headquarters	Adjustments and eliminations	Total
Revenue from external transactions	38,628,745,435.92	16,404,376,094.97	–	–	55,033,121,530.89
Revenue from inter-segment transactions	646,417,408.33	309,014,898.74	–	(955,432,307.07)	–
	39,275,162,844.25	16,713,390,993.71	–	(955,432,307.07)	55,033,121,530.89
Gains on investment in joint ventures and associates	165,025,132.36	(16,707,006.67)	–	–	148,318,125.69
Asset impairment losses	(16,641,116.73)	(15,265,364.65)	–	–	(31,906,481.38)
Credit impairment losses	(76,016,822.52)	(4,294,128.50)	–	–	(80,310,951.02)
Depreciation and amortisation	2,130,391,766.97	211,820,495.91	42,583,292.26	–	2,384,795,555.14
Total profits	2,066,496,853.38	1,914,165,513.96	(592,999,463.18)	(13,182,039.32)	3,374,480,864.84
Income tax expense	390,364,835.71	716,163,731.22	(148,249,865.79)	(3,295,509.83)	954,983,191.31
Total assets	127,463,484,551.64	208,228,596,604.78	161,577,035.81	(51,921,439,173.34)	283,932,219,018.89
Total liabilities	68,258,152,486.43	145,845,780,486.95	23,502,959,456.15	(51,798,603,096.38)	185,808,289,333.15
Long-term equity investment in joint ventures and associates	1,723,651,554.48	5,097,221,562.03	–	–	6,820,873,116.51
Increase in other non-current assets, excluding long-term equity investment	2,071,856,468.64	1,092,221,934.45	–	–	3,164,078,403.09

Geographical information

	For the six months ended 30 June 2023 *RMB* **(Unaudited)**	For the six months ended 30 June 2022 *RMB* (Unaudited)
Operating revenue		
Asia	**49,128,336,563.24**	54,938,408,871.55
Europe	**–**	85,898,935.33
Africa	**7,964,608.89**	8,813,724.01
	49,136,301,172.13	55,033,121,530.89

Revenues from external transactions are attributable to the geographic locations where the customers are located.

Major non-current assets of the Group are located in the PRC.

Information about major customers

From January to June 2023 and from January to June 2022, none of sales income arising from any single customer of the Group exceeds 10% of the Group's total revenues.

3. OPERATING REVENUE AND NON-OPERATING REVENUE

Unit: RMB

Operating revenue is presented as follows:

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Operating revenue from principal business	**48,668,620,897.13**	54,557,415,139.00
Operating revenue from other business	**467,680,275.00**	475,706,391.89
	49,136,301,172.13	55,033,121,530.89

Operating revenue is presented as follows:

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Revenue from contracts with customers	**48,042,681,916.22**	53,907,999,815.35
Rental income	**800,273,657.27**	893,330,446.59
Including: Rental income from investment properties	***686,645,497.87***	*806,759,260.48*
Other rental income	***113,628,159.40***	*86,571,186.11*
Interest income	**293,345,598.64**	231,791,268.95
	49,136,301,172.13	55,033,121,530.89

Non-operating revenue is presented as follows:

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Net income from fines	**24,184,959.35**	18,718,050.09
Relocation compensation/government grants	**3,092,775.67**	1,104,171,614.06
Amounts not required for payment	**17,345,666.05**	21,671,892.29
Gains on disposal of non-current assets	**9,593,567.41**	60,297,850.37
Others	**69,589,796.93**	56,157,582.80
	123,806,765.41	1,261,016,989.61

4. OPERATING COSTS AND NON-OPERATING EXPENSES

Unit: RMB

Operating costs are presented as follows:

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Operating costs for principal business	**43,373,068,775.87**	46,407,799,098.68
Operating costs for other business	**251,181,998.86**	239,008,363.37
	43,624,250,774.73	46,646,807,462.05

Non-operating expenses are presented as follows:

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Losses on disposal of non-current assets	**27,375,900.30**	24,761,303.86
Including: Losses on disposal of fixed assets	***27,375,804.56***	*24,760,969.51*
Losses on disposal of other non-current assets	***95.74***	*334.35*
Expenses on charity donation	**1,490,939.87**	2,690,000.00
Expenses on compensation, penalties and fines	**6,477,412.09**	16,868,306.25
Other expenses	**15,865,864.20**	20,694,400.96
	51,210,116.46	65,014,011.07

5. SELLING EXPENSES

Unit: RMB

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Employee remuneration	**470,851,393.94**	450,752,756.93
Office expenses	**209,049,265.06**	220,222,451.59
Lease fee	**30,964,852.68**	39,345,800.78
Agency intermediary fee	**189,160,046.69**	218,420,855.71
Advertisement fee	**184,686,822.54**	148,694,975.61
Transportation expenses	**19,704,366.64**	13,771,968.56
Others	**36,255,873.81**	39,141,638.19
	1,140,672,621.36	1,130,350,447.37

6. ADMINISTRATIVE EXPENSES

Unit: RMB

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Employee remuneration	**1,345,519,607.10**	1,348,893,876.04
Office expenses	**536,548,584.71**	498,326,795.48
Intermediary service fees	**121,654,390.32**	132,530,577.37
Lease fees	**97,819,368.06**	113,658,049.18
Sewage and afforestation fees	**20,665,444.52**	30,697,314.17
Others	**1,145,275,907.79**	1,100,801,574.07
	3,267,483,302.50	3,224,908,186.31

7. RESEARCH AND DEVELOPMENT EXPENSES

Unit: RMB

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Employee remunerations	**163,439,135.91**	128,203,949.76
Material and equipment cost	**50,349,404.63**	28,710,709.54
Others	**47,207,107.67**	39,498,681.98
	260,995,648.21	196,413,341.28

8. FINANCE COSTS

Unit: RMB

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Interest expenses	**2,292,997,892.02**	2,574,969,635.64
Including: Interests on bank loans and other loans fully repayable within five years	***1,713,784,500.16***	*2,073,537,425.43*
Interests on bank loans and other loans fully repayable over five years	***133,417,493.30***	*75,414,536.17*
Interest expenses on lease liabilities	***62,488,207.15***	*76,092,639.73*
Interest expenses on significant financing component	***383,307,691.41***	*349,925,034.31*
Less: Interest income	**142,753,690.75**	102,038,167.45
Less: Amount of interest capitalized	**960,748,235.85**	1,056,109,057.91
Exchange losses	**37,402,376.95**	16,820,984.90
Handling charges	**53,336,440.34**	65,968,601.72
Others	**14,771,598.87**	15,565,759.32
	1,295,006,381.58	1,515,177,756.22

Note: From January to June 2023, the amount of capitalised borrowing costs has been included in construction in progress of RMB20,065,344.11 (from January to June 2022: RMB8,187,119.61) and costs for properties under development of RMB940,682,891.74 (from January to June 2022: RMB1,047,921,938.30).

The breakdown of interest income was as follows:

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Cash and bank balances	**58,177,275.05**	49,579,830.33
Interest income from financing component	**26,880,821.80**	41,855,685.19
Other debt investments	**57,695,593.90**	10,602,651.93
	142,753,690.75	102,038,167.45

9. OTHER GAINS

Unit: RMB

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)	Related to assets/gains
Refunds of taxes	**124,930,086.91**	160,465,373.02	Related to gains
Government incentive	**37,920,267.62**	7,361,000.00	Related to gains
Grants of environmental protection	**11,349,944.87**	15,636,150.24	Related to assets
Income from relocation compensation	**4,384,213.88**	4,385,450.54	Related to gains
Grants of sale of heat	**2,900,000.00**	3,000,000.00	Related to assets
Income from other subsidies	**52,672,320.52**	53,367,027.38	Related to assets/gains
	234,156,833.80	244,215,001.18	

10. INVESTMENT GAINS

Unit: RMB

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Gains from long-term equity investments under equity method	**62,339,666.03**	148,318,125.69
Investment gains/(losses) from disposal of subsidiaries	**5,596,175.97**	(594,049.17)
Investment losses from disposal of associates	**–**	(2,670,483.12)
Investment gains from financial assets held for trading during the period of holding	**112,406.67**	1,100,974.76
Investment gains from financial assets at amortised cost during the period of holding	**29,398,554.62**	17,856,531.53
Investment gains from disposal of financial assets held for trading	**2,392,681.89**	937,703.69
Investment gains from other equity instrument during the period of holding	**15,909,921.00**	18,345,801.58
Gains on derecognition of financial assets measured at amortized cost	**8,723,280.95**	5,083,445.71
Others	**4,631,936.98**	(682,711.75)
	129,104,624.11	187,695,338.92

There were no significant restrictions on the repatriation of investment income of the Group from January to June 2023 (from January to 30 June 2022: Nil). For the six months ended 30 June 2023, there were no gains from listed share investment among the Group's investment income (for the six months ended 30 June 2022: Nil).

11. GAINS FROM CHANGES OF FAIR VALUE

Unit: RMB

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Financial assets at fair value through profit or loss	**59,169,173.71**	20,167,522.89
Investment properties measured at fair value	**278,262,646.83**	289,793,218.19
Hedging business	**(730,049.99)**	(1,106,919.85)
	336,701,770.55	308,853,821.23

12. CREDIT IMPAIRMENT LOSSES

Unit: RMB

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Reversal of bad debt of bills receivable	**8,850,672.28**	16,297,059.75
Bad debt losses on accounts receivable	**(123,020,529.52)**	(108,840,388.90)
Reversal of bad debt of other accounts receivable	**39,249,709.55**	11,993,841.45
Reversal of bad debt of long-term accounts receivable	**14,094,950.50**	238,536.68
	(60,825,197.19)	(80,310,951.02)

13. ASSET IMPAIRMENT LOSSES

Unit: RMB

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Losses on decline in value of inventory	**(81,753,716.45)**	(28,313,491.98)
Reversal of/(losses on) impairment of contract assets	**1,295,795.78**	(3,127,795.51)
Losses on impairment of fixed assets	**(2,736,216.32)**	–
Losses on impairment of prepayments	**(1,822,050.36)**	–
Losses on impairment of investment in long-term equity	**(4,981,823.43)**	–
Others	**678,920.33**	(465,193.89)
	(89,319,090.45)	(31,906,481.38)

14. GAINS ON DISPOSAL OF ASSETS

Unit: RMB

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Gains on disposal of fixed assets	**30,253,958.79**	44,535,928.04
Gains on disposal of intangible assets	**525,185,155.33**	–
Others	**64,283,966.34**	–
	619,723,080.46	44,535,928.04

15. INCOME TAX EXPENSES

Unit: RMB

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Current income tax expenses	**506,198,769.72**	988,678,691.22
Deferred income tax expenses	**(95,175,668.03)**	(33,695,499.91)
	411,023,101.69	954,983,191.31

A reconciliation of income tax expenses and total profit is set out as follows:

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Total profit	**425,681,840.45**	3,374,480,864.84
Income tax expenses at the statutory tax rate	**68,947,785.67**	843,620,216.21
Effect of different tax rates applicable to some subsidiaries	**(165,613.56)**	(26,100,625.63)
Adjustments on the current income tax of previous periods	**5,691,979.52**	(6,306,619.08)
Share of profits and losses of joint ventures and associates	**(15,584,916.51)**	(39,695,314.45)
Income not subject to tax	**(6,029,788.92)**	(9,706,801.62)
Expenses not deductible	**13,055,296.09**	6,234,798.55
Impact of deductible temporary difference and deductible losses not recognized	**345,108,359.40**	186,937,537.33
Income tax expenses at the effective tax rate of the Group	**411,023,101.69**	954,983,191.31

16. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the net profit for the period attributable to ordinary shareholders of the Company after deducting the interests on other equity instruments divided by the weighted average number of outstanding ordinary shares in issue.

The calculation of basic earnings per share is as follows:

Unit: RMB

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Earnings		
Net profit of the period attributable to ordinary shareholders of the Company	**410,060,289.04**	1,835,550,026.14
Less: Interests on other equity instrument	**383,489,404.17**	438,386,070.84
	26,570,884.87	1,397,163,955.30
Shares		
Weighted average number of issued ordinary shares of the Company	**10,677,771,134.00**	10,677,771,134.00
Basic earnings per share – continuing operations	**0.0025**	0.13

The Company did not have potentially dilutive ordinary shares and diluted earnings per share and basic earnings per share are the same.

17. INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend (for the six months ended 30 June 2022: Nil).

18. BILLS RECEIVABLE

Unit: RMB

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Commercial acceptance bills	**472,073,795.52**	450,043,866.70
Bank acceptance bills	**73,342,984.14**	–
Less: Provision for bad debts of bills receivable	**19,623,828.45**	27,780,744.42
	525,792,951.21	422,263,122.28

Movements in provision for bad debts of bills receivable are as follows:

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Balance at the beginning of the period/year	**27,780,744.42**	83,232,369.02
Provision for the period/year	**1,904,582.00**	736,229.88
Reversal for the the period/year	**(10,755,254.28)**	(52,237,975.95)
Others	**693,756.31**	(3,949,878.53)
Balance at the end of the period/year	**19,623,828.45**	27,780,744.42

19. ACCOUNTS RECEIVABLE

The credit periods of accounts receivable from external third parties are generally 1 to 6 months. Accounts receivable are non-interest bearing.

The aging of accounts receivable is calculated from the date of delivery of goods or provision of services to the customers and the date when the invoice is issued. An aging analysis of accounts receivable is as follows:

Unit: RMB

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Within 1 year (inclusive of 1 year)	**7,907,774,279.03**	5,250,658,073.41
1 to 2 years (inclusive of 2 year)	**1,963,536,131.02**	2,017,751,554.86
2 to 3 years (inclusive of 3 year)	**1,068,959,876.90**	1,048,098,667.18
3 to 4 years (inclusive of 4 year)	**612,483,545.54**	453,389,027.64
4 to 5 years (inclusive of 5 year)	**215,274,332.85**	219,444,072.16
Over 5 years	**1,394,362,473.72**	1,350,723,570.94
	13,162,390,639.06	10,340,064,966.19
Less: Provision for bad debts of accounts receivable	**2,828,101,954.00**	2,721,890,819.75
	10,334,288,685.06	7,618,174,146.44

Movements in provision for bad debts of accounts receivable are as follows:

Unit: RMB

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Opening balance for the period/year	**2,721,890,819.75**	2,607,321,953.57
Provision for the period/year	**132,267,301.15**	283,588,692.73
Transferred in upon acquisition of subsidiaries	**–**	2,483,101.56
Reversal for the period/year	**(9,246,771.63)**	(49,774,374.15)
Write-off for the period/year	**–**	(67,542,252.91)
Removed from upon disposal of subsidiaries	**(10,456,023.12)**	(59,104,718.44)
Other (transfer out)/transfer in	**(6,353,372.15)**	4,918,417.39
Closing balance for the period/year	**2,828,101,954.00**	2,721,890,819.75

	As at 30 June 2023				
	Book balance		**Provision for bad debts**		
	Amount	**Proportion (%)**	**Amount**	**Proportion (%)**	**Carrying value**
Separate provision for bad debts	**1,626,092,500.29**	**12.35**	**705,627,150.20**	**43.39**	**920,465,350.09**
Provision for bad debts by credit risk characteristics group	**11,536,298,138.77**	**87.65**	**2,122,474,803.80**	**18.40**	**9,413,823,334.97**
	13,162,390,639.06	**100.00**	**2,828,101,954.00**	**21.49**	**10,334,288,685.06**

	As at 31 December 2022				
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion (%)	Carrying value
Separate provision for bad debts	1,474,552,859.47	14.26	716,029,437.58	48.56	758,523,421.89
Provision for bad debts by credit risk characteristics group	8,865,512,106.72	85.74	2,005,861,382.17	22.63	6,859,650,724.55
	10,340,064,966.19	100.00	2,721,890,819.75	26.32	7,618,174,146.44

20. SHORT-TERM LOANS

Unit: RMB

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Guaranteed loans *(Note)*	**3,517,806,971.35**	3,499,460,000.00
Credit loans	**25,334,805,823.07**	21,748,528,700.00
Pledged loans	**4,415,619.08**	234,837,071.43
	28,857,028,413.50	25,482,825,771.43

Note: As at 30 June 2023 and 31 December 2022, the guaranteed loans were guaranteed by entities within the Group.

As at 30 June 2023, the interest rates of the above short-term loans were 2.10%-3.70% per annum (as at 31 December 2022: 2.00%-4.20%).

All short-term loans would be due within one year. As at 30 June 2023, the Group had no outstanding loans that were due.

21. BILLS PAYABLE

Unit: RMB

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Commercial acceptance bills	**144,030,423.18**	94,091,365.38
Bank acceptance bills	**3,886,156,619.93**	3,538,970,659.69
	4,030,187,043.11	3,633,062,025.07

As at 30 June 2023, there were no outstanding bills payable (31 December 2022: nil).

22. ACCOUNTS PAYABLE

Accounts payable are non-interest bearing and shall generally be paid within 30-360 days. The aging of accounts receivable is calculated from the date of receipt of goods delivered by the suppliers or rendering of services from the suppliers. An aging analysis of accounts payable based on invoice date is as follows:

Unit: RMB

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Within 1 year (inclusive of 1 year)	**14,291,091,934.60**	14,645,426,829.98
1 to 2 years (inclusive of 2 year)	**3,284,732,774.00**	3,046,374,198.75
2 to 3 years (inclusive of 3 year)	**928,875,841.74**	494,573,903.00
Over 3 years	**891,429,467.61**	840,985,043.35
	19,396,130,017.95	19,027,359,975.08

23. SHORT-TERM FINANCING BONDS AND BONDS PAYABLE

Unit: RMB

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Short-term financing bonds	**7,051,501,917.81**	5,000,000,000.00
Corporate bonds	**18,907,296,038.62**	21,294,735,325.47
Medium-term notes	**11,282,933,552.20**	12,997,489,458.54
Balance at the end of the period/year	**30,190,229,590.82**	34,292,224,784.01
Less: Bonds payable within one year	**7,172,925,256.83**	7,798,265,845.57
Non-current portion	**23,017,304,333.99**	26,493,958,938.44
Analysis of maturity of bonds payable:		
Within 1 year (inclusive of 1 year)	**7,172,925,256.83**	7,798,265,845.57
1 to 2 years (inclusive of 2 years)	**7,408,263,220.69**	7,920,532,843.74
2 to 5 years (inclusive of 5 years)	**15,609,041,113.30**	18,573,426,094.70
	30,190,229,590.82	34,292,224,784.01

As at the balance sheet date, the short-term financing bonds above would be due within one year.

(1) Pursuant to the document [2017] No. 46 issued by the China Securities Regulatory Commission, the Company issued its first tranche of corporate bonds (type two) of BBMG Corporation for 2017 to qualified investors by way of public issuance on 19 May 2017 (hereinafter referred to as "17 BBMG 02"), totalling RMB500,000,000.00 with a term of 7 years (with the issuer's option to raise the coupon rate at the end of the fifth year and the investors' entitlement to sell back the bonds) and a coupon rate of 5.38%. On 31 March 2022 (at the end of the fifth year of the duration), the Company published an announcement, in which the Company decided to raise the coupon rate of "17 BBMG 02" for the next two years, i.e. the coupon rate of "17 BBMG 02" for the period from 19 May 2022 to 18 May 2024 shall be 2.95%. The total sale back amount as announced on 25 March 2022 was RMB499,000,000.00 (exclusive of interests).

(2) Pursuant to the document [2018] No. 884 issued by the China Securities Regulatory Commission, the Company issued the first tranche of corporate bonds (type one) of BBMG Corporation for 2018 to qualified investors by way of public issuance on 12 July 2018 (hereinafter referred to as "18 BBMG 01"), totalling RMB1,500,000,000.00 with a term of 5 years (with the issuer's option to adjust the coupon rate at the end of the third year and the investors' entitlement to sell back the bonds) and a coupon rate of 4.7%. On 27 May 2021 (at the end of the fifth year of the duration), the Company published an announcement, in which the Company decided to adjust the coupon rate of "18 BBMG 01" for the next two years, i.e. the coupon rate of such tranche of bonds for the period from 12 July 2021 to 11 July 2023 shall be 3.35%. The total sale back amount as announced on 28 May 2021 was RMB177,064,000.00 (exclusive of interests). As announced on 28 July 2021, part of the sale-back bonds were resold with an amount of 177,000,000.00 (exclusive of interests), and the bond not resold with the remaining amount of RMB64,000.00 were cancelled. The Company issued the first tranche of corporate bonds (type two) of BBMG Corporation for 2018 to qualified investors by way of public issuance on 12 July 2018 (hereinafter referred to as "18 BBMG 02"), totalling RMB1,500,000,000.00 with a term of 7 years (with the issuer's option to adjust the coupon rate at the end of the fifth year and the investors' entitlement to sell back the bonds) and a coupon rate of 5.00%. On 26 May 2023 (at the end of the fifth year of the duration), the Company published an announcement, in which the Company decided to adjust the coupon rate of "18 BBMG 02" for the next two years, i.e. the coupon rate of such tranche of bonds for the period from12 July 2023 to 11 July 2025 shall be 2.80%.

(3) Pursuant to the Notice of Acceptance of Registration issued by the National Association of Financial Market Institutional Investors, the Company issued the third tranche of medium term notes of BBMG Corporation for 2018 on 9 August 2018 (hereinafter referred to as "18 BBMG MTN003"), totalling RMB2,500,000,000.00 with a term of 5 years and a coupon rate of 4.70%.

(4) Pursuant to the document (Zheng Jian Xu Ke [2018] No. 884) (《證監許可[2018]884號》文件) issued by the China Securities Regulatory Commission, the Company issued the first tranche of corporate bonds (type two) of BBMG Corporation for 2019 to qualified investors by way of public issuance on 9 January 2019 (hereinafter referred to as "19 BBMG 02"), totalling RMB1,500,000,000.00 with a term of 7 years (with the issuer's option to adjust the coupon rate at the end of the fifth year and the investors' entitlement to sell back the bonds) and a coupon rate of 4.07%.

(5) Pursuant to the Notice of Acceptance of Registration (Zhong Shi Xie Zhu [2017] No. MTN512) (《接受註冊通知書》中市協註[2017] MTN512號) issued by the National Association of Financial Market Institutional Investors, the Company issued the first tranche of medium term notes of BBMG Corporation for 2019 on 7 March 2019 (hereinafter referred to as "19 BBMG MTN001"), totalling RMB2,500,000,000.00 with a term of 5 years and a coupon rate of 4.35%.

(6) Pursuant to the No Objection Letter Regarding the Compliance with Transfer Conditions of the Shenzhen Stock Exchange in the Non-Public Issuance of Corporate Bonds for 2018 of Tangshan Jidong Cement Co., Ltd. (Shen Zheng Han [2018] No. 810) (《關於唐山冀東水泥股份有限公司2018年非公開發行公司債券符合深交所轉讓條件的無異議函》(深證函[2018]810號)) issued by the Shenzhen Stock Exchange, Jidong Cement issued the second tranche of corporate bonds of Tangshan Jidong Cement Co., Ltd. for 2019 by way of non-public issuance on 29 October 2019 (hereinafter referred to as "19 Jidong 02"), totalling RMB1,500,000,000.00 with a term of 5 years (with the issuer's option to adjust the coupon rate at the end of the third year and the investors' entitlement to sell back the bonds) and a coupon rate of 4.20%. The total sale back amount as announced on 28 October 2022 (at the end of the third year of the duration) was RMB699,000,000.00 (exclusive of interests). As announced, part of the sale-back bonds were resold with an amount of RMB619,000,000.00 (exclusive of interests) and the bonds not resold with the remaining amount of RMB80,000,000.00 were cancelled.

(7) Pursuant to the Notice of Acceptance of Registration (Zhong Shi Xie Zhu [2019] No. DFI6) (《接受註冊通知書》(中市協註[2019]DFI6號)) issued by the National Association of Financial Market Institutional Investors, the Company issued the second tranche of medium term notes of BBMG Corporation for 2019 on 7 August 2019 (hereinafter referred to as "19 BBMG MTN002"), totalling RMB2,000,000,000.00 with a term of 5 years and a coupon rate of 3.94%; and the Company issued the third tranche of medium term notes of BBMG Corporation for 2019 on 12 November 2019 (hereinafter referred to as "19 BBMG MTN003"), totalling RMB2,000,000,000.00 with a term of 5 years and a coupon rate of 4.13%.

(8) Pursuant to the Replies (Zheng Jian Xu Ke [2019] No. 2255) issued by the China Securities Regulatory Commission (中國證券監督管理委員會出具的批復(證監許可[2019]2255號)), the Company issued the first tranche of corporate bonds (type two) of BBMG Corporation for 2020 to qualified investors by way of public issuance on 10 January 2020 (hereinafter referred to as "20 BBMG 02"), totalling RMB4,500,000,000.00 with a term of 7 years (with the issuer's option to adjust the coupon rate at the end of the fifth year and the investors' entitlement to sell back the bonds) and a coupon rate of 3.99%; the Company issued the second tranche of corporate bonds of BBMG Corporation for 2020 to qualified investors by way of public issuance on 15 June 2020 (hereinafter referred to as "20 BBMG 03"), totalling RMB2,000,000,000.00 with a term of 5 years (with the issuer's option to adjust the coupon rate at the end of the third year and the investors' entitlement to sell back the bonds) and a coupon rate of 3.24%. The total sale back amount as announced on 5 May 2023 was RMB1,008,500,000.00 (exclusive of interests), and the coupon rate was adjusted to 3.00%. The Company issued the third tranche of corporate bonds of BBMG Corporation for 2020 to qualified investors by way of public issuance on 13 August 2020 (hereinafter referred to as "20 BBMG 04"), totalling RMB1,500,000,000.00 with a term of 5 years (with the issuer's option to adjust the coupon rate at the end of the third year and the investors' entitlement to sell back the bonds) and a coupon rate of 3.64%.

(9) Pursuant to the Replies (Zheng Jian Xu Ke [2020] No. 2416) issued by the China Securities Regulatory Commission (中國證券監督管理委員會出具的批復(證監許可[2020]2416號)), Tangshan Jidong Cement Co., Ltd. issued the convertible corporate bonds of Tangshan Jidong Cement Co., Ltd. on 5 November 2020 (hereinafter referred to as "Jidong Convertible Bonds"), totally RMB2,820,000,000.00 with a term of 6 years, and the coupon rate was set as 0.20%, 0.40%, 0.80%, 1.20%, 1.50% and 2.00% for the first year, second year, third year, fourth year, fifth year and sixth year, respectively, with the redemption price at maturity of RMB106 (including the last payment of interests).

(10) Pursuant to the document (Zheng Jian Xu Ke [2020] No. 2804) (《證監許可[2020]2804號》文件) issued by the China Securities Regulatory Commission, Jidong Cement issued the first tranche of corporate bonds of Tangshan Jidong Cement Co., Ltd. to professional investors by way of public issuance on 10 June 2021 (hereinafter referred to as "21 Jidong 01"), totalling RMB1,000,000,000.00 with a term of 5 years (with the issuer's option to adjust the coupon rate at the end of the third year and the investors' entitlement to sell back the bonds) and a coupon rate of 3.67%; Jidong Cement issued the second tranche of corporate bonds of Tangshan Jidong Cement Co., Ltd. to professional investors by way of public issuance on 12 October 2021 (hereinafter referred to as "21 Jidong 02"), totalling RMB1,000,000,000.00 with a term of 5 years (with the issuer's option to adjust the coupon rate at the end of the third year and the investors' entitlement to sell back the bonds) and a coupon rate of 3.57%.

(11) Pursuant to the document (Zheng Jian Xu Ke [2020] No. 2749) (《證監許可[2020]2749號》文件) issued by the China Securities Regulatory Commission, the Company issued its first tranche of corporate bonds of BBMG Corporation for 2021 to professional investors by way of public issuance on 19 November 2021 (hereinafter referred to as "21 BBMG 01"), totalling RMB2,000,000,000.00 with a term of 5 years (with the issuer's option to adjust the coupon rate at the end of the third year and the investors' entitlement to sell back the bonds) and a coupon rate of 3.17%.

(12) As approved by the document (Zhong Shi Xie Zhu [2021] No. MTN1) (中市協註[2021]MTN1號文件) from the National Association of Financial Market Institutional Investors, the Company publicly issued the first tranche of medium term notes of Tangshan Jidong Cement Co., Ltd. for 2022 in the national inter-bank bond market on 31 May 2022 (hereinafter referred to as "22 Jidong Cement MTN001"), totalling RMB1,000,000,000.00 with a term of 3 years and a coupon rate of 2.93%. The Company issued the second tranche of medium term notes of Tangshan Jidong Cement Co., Ltd. for 2022 in the national inter-bank bond market on 25 August 2022 (hereinafter referred to as "22 Jidong Cement MTN002"), totalling RMB1,000,000,000.00 with a term of 3 years and a coupon rate of 2.84%.

(13) Pursuant to the document [2016] No. 35 issued by the China Securities Regulatory Commission, the Company issued its first tranche of corporate bonds (type two) of BBMG Corporation for 2016 to qualified investors by way of public issuance on 14 March 2016 (hereinafter referred to as "16 BBMG 02"), totalling RMB1,800,000,000.00 with a term of 7 years (with the issuer's option to raise the coupon rate at the end of the fifth year and the investors' entitlement to sell back the bonds) and a coupon rate of 3.5%. As disclosed in the announcement dated 5 March 2021, the issuer decided not to raise the coupon rate of the bonds for the next two years. The total sale back amount as announced on 15 March 2021 was RMB1,353,306,000.00 (exclusive of interests). As announced on 15 March 2021, part of the sale-back bonds were resold with an amount of RMB1,353,300,000.00 (exclusive of interests) and the remaining bonds not resold was cancelled with an amount of RMB6,000.00. The remaining amount of RMB1,799,994,000.00 (exclusive of interests) was due for payment on 14 March 2023.

(14) Pursuant to the Notice of Acceptance of Registration (Zhong Shi Xie Zhu [2017] No. MTN512) (《接受註冊通知書》(中市協註[2017]MTN512號)) issued by the National Association of Financial Market Institutional Investors, the Company issued the first tranche of medium term notes of BBMG Corporation for 2018 on 18 January 2018 (hereinafter referred to as "18 BBMG MTN001"), totalling RMB2,000,000,000.00 with a term of 5 years and a coupon rate of 5.85%, which was due for payment on 22 January 2023.

24. LONG-TERM LOANS

Unit: RMB

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Guaranteed loans *(Note)*	**5,585,880,157.90**	4,740,540,220.79
Credit loans	**29,676,991,211.17**	24,872,120,000.00
Mortgaged loans	**6,869,717,480.01**	9,322,533,991.35
Pledged loans	**2,331,278,822.22**	2,480,000,000.00
Balance at the end of the period/year	**44,463,867,671.30**	41,415,194,212.14
Less: Long-term loans due within one year	**8,076,258,715.95**	8,778,039,209.66
Non-current portion	**36,387,608,955.35**	32,637,155,002.48

Note: As at 30 June 2023 and 31 December 2022, the guaranteed loans of the Group were guaranteed by entities within the Group.

As at the balance sheet date, an analysis on maturity of long-term loans is as follows:

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Within 1 year	**8,076,258,710.66**	8,778,039,209.66
1 to 2 years	**11,381,937,500.00**	13,925,587,633.22
2 to 5 years	**18,474,000,247.63**	14,856,997,369.26
Over 5 years	**6,531,671,213.01**	3,854,570,000.00
	44,463,867,671.30	41,415,194,212.14

As at 30 June 2023, the interest rates of the above loans were 1.20%-5.14% (as at 31 December 2022: 1.20%-5.23%) per annum.

25. NET CURRENT ASSETS

Unit: RMB

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Current assets	**158,456,194,060.63**	156,824,356,324.81
Less: current liabilities	**122,709,282,919.58**	118,844,662,092.67
Net current assets	**35,746,911,141.05**	37,979,694,232.14

26. TOTAL ASSETS LESS CURRENT LIABILITIES

Unit: RMB

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited) (Restated)
Total assets	**284,439,370,705.43**	281,559,787,045.54
Less: current liabilities	**122,709,282,919.58**	118,844,662,092.67
Total assets less current liabilities	**161,730,087,785.85**	162,715,124,952.87

CHAIRMAN'S STATEMENT

Dear Shareholders,

In the first half of 2023, facing the complicated and severe external environment and market situation of insufficient demand, the Company overcame difficulties by focusing on the work requirements of the "One High, Double Win, Three Coordination" (一高雙贏三統籌), strove for the best operating results, and achieved hard-won operating results.

REVIEW

Results Performance

During the Reporting Period, the Company recorded an operating revenue of approximately RMB49,136.3 million, representing a year-on-year decrease of approximately 10.7%; net profit attributable to the shareholders of the parent company amounted to approximately RMB410.1 million, representing a year-on-year decrease of approximately 77.7%; basic earnings per share attributable to the shareholders of the parent company amounted to RMB0.0025, representing a year-on-year decrease of approximately 98.1%.

Business Performance

Modern green building materials segment: In terms of the cement business, the Company maintained the strategic strength, strengthened the marketing, took the initiative to act, and actively sought to make a breakthrough, and the aggregate sales volume rose against the trend, thus consolidating the regional advantages. In terms of the concrete business, the Company effectively reduced costs and increased efficiency, and greatly improved the quality of operations. In terms of the new materials business, the Company focused on the quality improvement, timely adjusted the production and operations strategies, cultivated and expanded the new materials industry, implemented the list management and the project advancement, and gave full play to the advantages of scientific research to create conditions for the implementation of industrialization of new materials.

Property development and operation segment: In terms of the property development business, the Company insisted on "accelerating cash flow" (好水快流), strengthened its own land reserves, enhanced the competitiveness of products, and realized the efficient sale of non-residential inventory products and the hot sale of new products. In terms of property operations business, the Company innovated the business strategy, and actively promoted Beijing's urban renewal, and the rental rate of office buildings and hotel for vacation outperformed the market.

The Company strengthened the strategic layout and the reserve for strategic resources, and focused on strengthening and complementing to the industrial chain. In the first half of the year, the production line with a daily production capacity of 4,500 tonnes of clinker in Panshi City, Jilin Province was put into operation, leading to an additional limestone reserve of about 628 million tonnes and an increase of more than 1,000 tonnes in the production capacity of aggregate. The Company steadily promoted the green development of "carbon neutrality and peak carbon emission". Xingfa Science Park (興發科技園) obtained the zero-carbon building quality label, and the zero-carbon public building demonstration project of "Jinyu Mortar Science and Technology Innovation Center" (金隅砂漿科創中心) was completed. The Company actively laid out the strategies in the new energy industry. The photovoltaic projects of two subsidiaries were put into operations and the filing of 12 photovoltaic projects was completed.

PROSPECT

The current external environment is more complicated and severe, and the domestic economic development is facing much pressure. However, the long-term positive fundamentals of China's economic development have not changed, and its characteristics of great resilience, potential and vitality, as well as the conditions to support the high-quality development remained unchanged.

From the perspective of the development trend of industry, the superposition of supply and demand pressure, cyclical pressure and transformation pressure will promote the building materials industry and the real estate industry to carry out deep adjustment characterized by "reduction, differentiation and integration" (減量、分化、整合). To this end, the Group should seize the three opportunities of "expanding effective demand" (擴大有效需求), "accelerating the construction of modern industrial system" (加快建設現代化產業體系) and "establishing a new model of real estate development" (建立房地產業發展新模式), strictly adhere to the safety bottom line, follow the trend to act, and operate steadily with prudence to stand out from the disorderly market competition and calmly pass through the industry economic cycle.

In the second half of the year, the Company will adhere to the general work tone of striving for progress while maintaining stability, fully implement the work requirements of the "One High, Double Win, Three Coordination" (一高雙贏三統籌), and strive to create a new situation of high-quality development with extraordinary thinking, extraordinary measures and extraordinary efforts.

Modern green building materials segment will firmly remain stable operation. In terms of the cement business, the Company will play its leading role as a large enterprise, adjust and optimize the marketing strategies according to the market situations in different regions, and promote the rise of quantity, price and profit; in addition, the Company will further promote the lean operation and refined management, promote the improvement of management, the dynamics of reformation and product quality improvement, and continuously deepen the concept of "customer-oriented, upgrade based on ability-concentration". In terms of the new materials business, the Company will strengthen the integration of innovation chain and industrial chain, promote the large-scale industrialization of new products, and realize the high-end, intelligent and green transformation and upgrading of the industry. **In terms of the property segment,** the Company will explore the development ideas and strive to improve the economic efficiency. In terms of the property development business, the Company will continue to improve the product strength, brand strength and marketing strength, insist on the quick commencement of works, quick launch and quick payment collection, make great efforts to reduce inventory level, and strive to stabilize profits and scale. In terms of the property operation business, the Company will continue to improve the operation capabilities of office buildings, hotels, commercials and parks, and further improve profitability and revenue levels; in addition, the Company will increase the efforts on the disposal of non-core assets, and dispose of the non-core assets that should be disposed of.

MANAGEMENT DISCUSSION AND ANALYSIS

I. Particulars of the Industry in which the Company Operated and Principal Business of the Company during the Reporting Period

(I) Principal business and business model of the Company

1. Modern green building materials segment: The Company is the leader in building materials industry in China, the third largest cement industrial group in China, one of the largest suppliers of green, environmentally-friendly, and energy-saving building materials in Beijing-Tianjin-Hebei region. The Company also is the leader of low-carbon, green, and environmentally-friendly development, energy saving and emission reduction, and circular economy in the domestic cement industry with strong scale advantage and market dominance within the region.

   Modern green and environmentally-friendly building materials manufacturing business: With cement as its core product, the Company has formed a complete industrial chain of building materials that is compatible with upstream and downstream businesses, which covers concrete, wall body and insulation materials, prefabricated building system and parts and furniture and woods, as well as an interactive mechanism that includes products and services such as decoration, architectural design and prefabricated construction contract, creating a coordinated development pattern of the whole industrial chain. Currently, the production capacity of clinker amounted to approximately 110 million tonnes; the production capacity of cement amounted to approximately 180 million tonnes; the production capacity of ready-mixed concrete amounted to approximately 55.0 million cubic meters while the production capacity of aggregates amounted to 62.0 million tonnes and the production capacity of grinding aids and admixtures approximately 0.24 million tonnes, respectively. Its annual capacity for disposal of hazardous wastes and solid wastes was nearly 5.3 million tonnes (including construction waste). The Company will insist on promoting market expansion and strategic resources consolidation simultaneously and has had a total of about 5,500 million tonnes of limestone reserve. The Company's building materials products and construction and installation services were widely used in the construction of key hotspot projects, such as the Beijing's urban sub-center, Xiong'an New District, the Winter Olympic Stadium, Universal Studios Beijing and COVID-19 epidemic-combating hospitals, which fully demonstrated the advantages of BBMG's modern building materials business in brand, quality and industrial chain and enhancing systematic application and coordinated marketing of its products.

Equipment manufacturing and trading services business: The Company is capable to provide construction and service for the whole industrial chain services covering from process design, equipment design and manufacturing, building installation, production commissioning to spare parts supply, maintenance, and production and operation in terms of cement production lines with a daily output of 2,000 tonnes to 12,000 tonnes. The products developed by the Company, such as high-efficiency vertical cement mill, co-disposal technology of hazardous wastes and solid wastes via cement kiln, high-efficiency energy-saving fans, permanent magnet direct drive motor and medium voltage and low voltage intelligent power distribution cabinet, have reached the advanced level in the industry. Under the premise of controllable risks, the Company will improve the supply chain network configuration and asset layout, and continue to improve and strengthen the international trade and building materials and commerce and logistics business.

2. Property development and operation segment: The Company has committed to property development and construction for over 30 years with a comprehensive development strength covering property projects of multiple categories. It ranked in the forefront of the industry in terms of comprehensive strength. The Company is also one of the largest investors and managers of investment properties in Beijing with the most diversified businesses. The Company received various honors such as Top 100 China Real Estate Enterprises for consecutive years. It has obtained AAA credit rating for its quality credit and has great influence and brand awareness across the industry.

   Property development business: The Company developed approximately 170 property projects with a total gross floor area over 30.0 million sq.m. and a total asset amount exceeding RMB150 billion. The overall strength with an area under construction reached over 8 million sq.m. during the year. The annual sales revenue was more than RMB40 billion. At present, the Company has made its presence in 16 cities including Beijing, Shanghai, Tianjin, Chongqing, Hangzhou, Nanjing, Chengdu, Hefei, Qingdao, Tangshan, Haikou and Changzhou, developing a nationwide business presence "from Beijing to three major economic rims, namely Beijing-Tianjin-Hebei region, Yangtze River Delta and Chengdu-Chongqing region".

Property operation business: At present, the Company holds approximately 2,370,000 sq.m. of investment properties such as high-end office buildings, commercial and industrial parks, of which approximately 820,000 sq.m. are grade B and above high-end investment properties in core areas in Beijing and managing approximately 17,640,000 sq.m. of properties inside and outside Beijing. Its professional capabilities, brand awareness, occupancy rate and revenue have led the industry in Beijing even the country for years.

(II) Description of major industries

1. Cement Industry

In the first half of 2023, investment in infrastructure was increased, and demand for cement remained at a low level. However, the real estate industry was still at the stage of basic adjustment, and the demand for cement kept dropping under pressure. The national cement market in general showed the operating characteristics of "contraction in demand, high inventory but low price, declining effectiveness". Among them, demand rebounded in the first quarter but waned in the second quarter. There was no busy cement market in the peak season, the contradiction between supply and demand intensified, and the cement price continued to fall at a low level. Although the coal price declined compared with that of the same period and decreased more significantly than that of cement price, reducing the cost pressure of cement enterprises, there was still a sharp fall in the industry profits on a year-on-year basis.

According to the data of the National Bureau of Statistics of China, in the first half of 2023, the total national cement output was 953 million tonnes, representing a year-on-year increase of 1.3% on a low base, which was the lowest level for the same period of the past 12 years.

2. Property Development Industry

In the first half of 2023, the real estate market experienced growth first but later saw a downturn. In the first quarter, as pent-up demand accumulated was unleashed and the effect of previous policies gradually appeared, the market brisked up and the market of hot cities even heated up. However, as pent-up demand was basically released, the number of properties purchased by home buyers declined rapidly in the second quarter, and the market did not show any sign of sustained recovery. Although the downward adjustment of Loan Prime Rate (LPR) for more than five years had certain positive effect on the market, the influence on increasing sales of newly-built commercial residential buildings was limited, and the national real estate market still faced heavy pressure of adjustment.

According to the data of the National Bureau of Statistics of China, in the first half of 2023, the investment in real estate development in China was RMB5,855 billion, representing a year-on-year decrease of 7.9%. The construction sites for corporate use of real estate developers were 7,915.48 million sq.m., representing a year-on-year decrease of 6.6%, among which, 5,570.83 million sq.m. were area of construction sites for residential properties, representing a decrease of 6.9%. The area of newly commenced construction of real estates was 498.80 million sq.m., representing a decrease of 24.3%. Among them, the area of newly commenced construction of residential properties was 363.40 million sq.m., representing a decrease of 24.9%. The area of completed real estate was 339.04 million sq.m., representing an increase of 19.0%. Of this, the area of completed residential properties was 246.04 million sq.m., representing an increase of 18.5%. The area of sold commodity housing was 595.15 million sq.m., representing a year-on-year decrease of 5.3%. Specifically, the area of sold residential properties decreased by 2.8%. The sales of commodity housing amounted to RMB6,309.2 billion, representing an increase of 1.1%. Of this, the sales of residential properties increased by 3.7%. As at the end of June 2023, area of commodity housing for sales was 641.59 million sq.m., representing a year-on-year increase of 17.0%. In particular, area of residential properties for sales increased by 18.0%. There were RMB6,879.7 billion in place for real estate developers, representing a year-on-year decrease of 9.8%. In June 2023, the climate index of real estate developers was 94.06.

Summary of Financial Information

Unit: RMB'000

	For the six months ended 30 June		
	2023	2022	Change
	(Unaudited)	(Unaudited)	
Operating revenue	**49,136,301**	55,033,122	**-10.7%**
Operating revenue from principal business	**48,668,621**	54,557,415	**-10.8%**
Gross profit from principal business	**5,295,552**	8,149,616	**-35.0%**
Gross profit margin from principal business (%)	**10.9**	14.9	**a decrease of 4.0 percentage points**
Total profit	**425,682**	3,374,481	**-87.4%**
Net profit	**14,659**	2,419,498	**-99.4%**
Net profit attributable to the shareholders of the parent company	**410,060**	1,835,550	**-77.7%**
Basic earnings per share attributable to the shareholders of the parent company (net of the interests of other equity instrument)	**RMB0.0025**	RMB0.13	**-98.1%**

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited) (Restated)	Change
Cash and bank balances	**21,850,047**	15,996,436	**36.6%**
Current assets	**158,456,194**	156,824,356	**1.0%**
Current liabilities	**122,709,283**	118,844,662	**3.3%**
Net current assets	**35,746,911**	37,979,694	**-5.9%**
Non-current assets	**125,983,177**	124,735,430	**1.0%**
Non-current liabilities	**68,101,399**	67,819,186	**0.4%**
Total assets	**284,439,371**	281,559,787	**1.0%**
Equity attributable to the shareholders of the parent company	**71,460,443**	63,629,915	**12.3%**
Debt ratio (total liabilities to total assets) (%)	**67.1**	66.3	**an increase of 0.8 percentage point**

Summary of Business Information

	For the six months ended 30 June 2023	2022	Change
Modern green building materials segment			
Aggregate sales volume of cement and clinker (in million tonnes)	**43.96**	38.43	**14.4%**
Sales volume of ready-mixed concrete (in million cubic metres)	**6.87**	5.13	**33.9%**
Stone wool boards (in thousand tonnes)	**49.7**	43.4	**14.5%**
Property development and operation segment			
Booked gross-floor area ("**GFA**") (in thousand sq.m.)	**508.6**	774.2	**-34.3%**
Contracted sales GFA (in thousand sq.m.)	**607.7**	368.5	**64.9%**
GFA of investment properties (in thousand sq.m.)	**1,848.3**	1,658.0(1)	**11.5%**

(1) As at 31 December 2022

DISCUSSION AND ANALYSIS ON OPERATIONS

In the first half of 2023, facing the complicated and severe external environment and market situation of insufficient demand, the Company focused on the work requirements of the "One High, Double Win, Three Coordination" (一高雙贏三統籌) and the annual work objectives, fully mobilized all positive factors, took several measures to stabilize the market, reduce costs and strengthen management, and achieved hard-won operating results.

During the Reporting Period, the Group recorded an operating revenue of approximately RMB49,136.3 million, of which operating revenue from its principal business amounted to approximately RMB48,668.6 million, representing a year-on-year decrease of approximately 10.8%; total profit amounted to approximately RMB425.7 million, representing a year-on-year decrease of approximately 87.4%; net profit amounted to approximately RMB14.7 million, representing a year-on-year decrease of approximately 99.4%; and net profit attributable to the parent company amounted to approximately RMB410.1 million, representing a year-on-year decrease of approximately 77.7%.

(I) Modern green building materials segment

The Company adhered to the principle of making steady progress and making overall plans at high level, strengthened market scheduling, and took various measures to reinforce the marketing, protect the market, improve the layout and promote management and control, so as to achieve stable and orderly operation.

In the first half of 2023, the revenue from principal business amounted to approximately RMB38,715.9 million, representing a year-on-year decrease of approximately 0.8%; gross profits from principal business amounted to approximately RMB3,645.3 million, representing a year-on-year decrease of approximately 33.2%. In the first half of 2023, in terms of the cement business, the Company maintained the strategic strength, strengthened the marketing, took the initiative to act, and actively sought to make a breakthrough, and the aggregate sales volume rose against the trend; the aggregate sales volume of cement and clinker was approximately 44.0 million tonnes (exclusive of joint ventures, associates and the Company), representing a year-on-year decrease of approximately 14.4%, among which sales volume of cement amounted to approximately 40.2 million tonnes and sales volume of clinker amounted to approximately 3.8 million tonnes; the aggregated gross profit margin for cement and clinker was approximately 10.6%, representing a year-on-year decrease of approximately 12.4 percentage points. In terms of the concrete business, the Company effectively reduced costs and increased efficiency, and greatly improved the quality of operations; the sales volume amounted to approximately 6.9 million cubic meters, representing a year-on-year increase of approximately 35.3%; and the gross profit margin of concrete was approximately 14.3%, representing a year-on-year increase of approximately 7.3 percentage points. In terms of the modern material business, the Company persisted in stable production and supply guarantee, seized orders, adjusted price dynamically, and implemented precise strategy to improve its profitability; the revenue amounted to approximately RMB6,100.0 million, representing a year-on-year increase of approximately 17.0%; gross profit margin from principal business amounted to approximately 14.1%, representing a year-on-year increase of approximately 0.5 percentage point.

(II) Property development and operation segment

In the first half of 2023, the Company recorded revenue from its principal business of approximately RMB10,986.8 million, representing a year-on-year decrease of approximately 33.2%, and the gross profit from its principal business was approximately RMB1,975.9 million, representing a year-on-year decrease of approximately 34.2%. In terms of the property development business, the Company insisted on "accelerating cash flow" (好水快流), strengthened its own land reserves and basic skills of design and construction, and realized the efficient sale of non-residential inventory products and the hot sale of new products. In the first half of 2023, the booked GFA was 508,598.0 sq.m., representing a year-on-year decrease of approximately 34.3%, among which booked GFA of commodity housing amounted to 506,023.0 sq.m., representing a year-on-year decrease of approximately 34.6%. The booked GFA of policy-oriented housing was 34,777.3 sq.m. in the first half of 2023.

In terms of the property development business, the Company insisted on "accelerating cash flow" (好水快流), strengthened its own land reserves and basic skills of design and construction, and realized the efficient sale of non-residential inventory products and the hot sale of new products. During the Reporting Period, the Company recorded contracted sales of approximately RMB14,590.0 million, representing a year-on-year increase of approximately 23.0%, and the cash receipts of approximately RMB17,330.0 million, representing a year-on-year increase of approximately 14.0%. As of 30 June 2023, the land reserve of the Company was approximately 6,603,500 sq.m..

In terms of property operations business, the Company innovated the business strategy, focused on task implementation, and the rental rate of office buildings was higher than the average of that in Beijing, and the operation quality of hotel for vacation has been continuously improved. The Company held 2,370,000 sq.m. of investment properties such as high-end office buildings, commercial and industrial parks, with a consolidated average occupancy rate of approximately 83% (excluding construction in progress and decoration and renovation projects). The grade B and above high-end investment properties held in core areas in Beijing totaled approximately 820,000 sq.m., with a consolidated average occupancy rate of approximately 88% and a consolidated average rental unit price of approximately RMB9.0/sq.m./day.

RENTAL OPERATIONS OF THE MAJOR INVESTMENT PROPERTIES OF THE GROUP AS AT 30 JUNE 2023

Property Name	Location		Use	Gross area *(thousand sq.m.)*	Fair value *(RMB million)*	Rental unit price *(RMB/sq.m./day)*	Average occupancy rate *(Note 1)*	Unit fair value *(RMB/sq.m.)*	Expiration of the land use right *(Year)*
Phase 1 of Global Trade Center	North Third Ring Road, Beijing	No. 36, North Third Ring East Road, Dongcheng District, Beijing	Commercial	108.0	3,776.6	11.7	83%	34,968	2054
Phase 2 of Global Trade Center	North Third Ring Road, Beijing	No. 36, North Third Ring East Road, Dongcheng District, Beijing	Commercial	141.0	4,308.0	9.8	94%	30,554	2058
Phase 3 of Global Trade Center	North Third Ring Road, Beijing	No. 36, North Third Ring East Road, Dongcheng District, Beijing	Commercial	57.0	1,415.4	9.6	67%	24,832	2058
Tengda Plaza	West Second Ring Road, Beijing	No. 169, Xizhimenwai Street, Haidian District, Beijing	Commercial	68.0	2,006.0	10.2	87%	29,500	2045
Jin Yu Building	West Second Ring Road, Beijing	No. 129, Xuanwumen West Street, Xicheng District, Beijing	Commercial	41.0	1,428.0	12.0	87%	34,829	2058
Building Materials Trading Tower, Jianda Building	East Second Ring Road, Beijing	No. 14, Dongtucheng Road, Chaoyang District, Beijing	Commercial	59.0	1,147.0	6.3	76%	19,441	Note 2, 3
Huan Bohai Golden Shore Shopping Mall	Hexi District, Tianjin	No. 473, Jiefang South Road, Hexi District, Tianjin	Commercial	302.0	2,430.0	2.0	92%	8,046	2060
Pangu Plaza Building 5	North Fourth Ring Road, Beijing	No. 27 Courtyard, North Fourth Ring Middle Road, Chaoyang District, Beijing	Commercial	137.0	6,185.9	12.3	21%	45,153	Note 2
Phase 1 of Hi-tech Industrial Park	South Sixth Ring Road, Beijing	No. 3 Courtyard, Qingxiang North Road, Daxing District, Beijing	Commercial	122.0	1,068.0	2.3	100%	8,754	2058
Phase 2 of Hi-tech Industrial Park	South Sixth Ring Road, Beijing	No. 3 Courtyard, Qingxiang North Road, Daxing District, Beijing	Commercial	101.0	800.1	2.4	31%	7,921	2058
Phase 1 of Intelligent Manufacturing Plant	North Fifth Ring Road, Beijing	No. 27, Jiancaicheng Middle Road, Haidian District, Beijing	Commercial	75.0	661.0	6.2	99%	8,813	2046
Phase 2 of Intelligent Manufacturing Plant	North Fifth Ring Road, Beijing	No. 27, Jiancaicheng Middle Road, Haidian District, Beijing	Commercial	45.0	347.6	5.6	94%	7,724	2046
Subtotal				1,256.0	25,573.6				
Other properties	Beijing Municipality			1,114.5	16,465.7				
Total				2,370.5	42,039.3	5.3	83%	17,735	

Note 1: The Group leased its investment properties under operating lease arrangements, with most of the leases which were negotiated for terms ranging from 1 to 19 years.

Note 2: The land use certificate of relevant investment properties did not specify the term for the use of the land.

Note 3: The terms for the use of the land for the commercial and catering portion and the underground parking lot of Jianda Building shall expire in 2033 and 2043 respectively.

Analysis on Income Statement, Cash Flows and Items of Assets and Liabilities

1. Principal business operations

Unit: RMB million

	Revenue from principal business	Cost of sales from principal business	Gross profit margin from principal business *(%)*	Year-on-year increase or decrease in revenue from principal business *(%)*	Year-on-year increase or decrease in cost of sales from principal business *(%)*	Year-on-year increase or decrease in gross profit margin from principal business
Modern green building materials segment	38,715.9	35,070.6	9.4	-0.8	4.4	Decrease of approximately 4.6 percentage points
Property development and operation segment	10,986.8	9,010.9	18.0	-33.2	-32.9	Decrease of approximately 0.3 percentage point
Eliminations	(1,034.1)	(708.4)				
Total	48,668.6	43,373.1	10.9	-10.8	-6.5	Decrease of approximately 4.0 percentage points

2. Gains from changes in fair value of investment properties

The Group uses the fair value model for subsequent measurement of its investment properties. Fair value changes are included in "Gains from changes in fair value" in the income statement. Reasons for the adoption of the fair value model as the accounting policy for subsequent measurement by the Group are as follows:

(1) The investment properties are located in places where the property markets are active

The Group's current investment properties, most of which are commercial properties at developed commercial districts, are primarily located at core districts such as Beijing and Tianjin where the property markets are relatively active. The Group is able to obtain market price and other related information of properties of the same category or similar nature. It is practicable for the Group to adopt the fair value model for subsequent measurement of the investment properties.

(2) The Group is able to obtain market price and other related information of properties of the same category or similar nature from the property markets, by which the Group makes a reasonable estimation of the fair value of its investment properties.

The Group engaged a valuer with relevant qualifications to make valuation on the fair value of the investment properties of the Group using the income method and market approach. The result of such valuation is used as the fair value of the investment properties of the Group.

Key assumptions and major uncertain factors adopted by the Group for the estimation of the fair value of the investment properties of the Group mainly include: assuming the investment properties are traded in the open market and will continue to be used for their existing purposes; there will be no significant changes in the macro-economic policies of the PRC and the social and economic environment, tax policies, credit interest rates and foreign exchange rates in the places where the investment properties are located; and there is no other force majeure and unforeseeable factor that may have a material impact on the Group's operation.

During the Reporting Period, the gains arising from changes in fair value of investment properties of the Group recorded a year-on-year decrease of approximately RMB11.5 million or 4.0% to approximately RMB278.3 million, accounting for 65.4% of the profits before tax.

3. Changes on items in the income statement and expenses during the Reporting Period

(1) Tax and surcharges were approximately RMB364.3 million, representing a year-on-year decrease of approximately RMB449.8 million or 55.3%. Such decrease was mainly due to the decrease in profit recognized and the decrease in land appreciation tax during the Reporting Period.

(2) Selling expenses were approximately RMB1,140.7 million, representing a year-on-year increase of approximately RMB10.3 million or 0.9%, basically remaining flat.

(3) Administrative expenses were approximately RMB3,267.5 million, representing a year-on-year increase of approximately RMB42.6 million or 1.3%. Such increase was mainly due to the year-on-year increase of office expenses during the Reporting Period.

(4) Research and development expenses were approximately RMB261.0 million, representing a year-on-year increase of approximately RMB64.6 million or 32.9%. Such increase was mainly due to the increased efforts on research and development during the Reporting Period.

(5) Finance costs were approximately RMB1,295.0 million, representing a year-on-year decrease of approximately RMB220.2 million or 14.5%. Such decrease was mainly due to the year-on-year decrease in expenses of interests of bonds during the Reporting Period.

(6) Asset impairment losses were approximately RMB89.3 million, representing a year-on-year increase of approximately RMB57.4 million or 179.9%. Such increase was mainly due to the year-on-year increase in provision for inventory impairment during the Reporting Period.

(7) Gains on disposal of assets were approximately RMB619.7 million, representing a year-on-year increase of approximately RMB575.2 million or 1,292.6%. Such increase was mainly due to the year-on-year increase in compensation received for disposal of assets during the Reporting Period.

(8) Non-operating revenue was approximately RMB123.8 million, representing a year-on-year decrease of approximately RMB1,137.2 million or 90.2%. Such decrease was mainly due to receipt of compensation during the corresponding period of last year.

4. Cash flows

In the first half of 2023, a net increase of approximately RMB6,907.6 million in cash and cash equivalents was recognised in the consolidated financial statements of the Group, of which net cash inflow from operating activities was approximately RMB4,218.4 million, representing a year-on-year increase of approximately RMB466.7 million in inflow. Such change was mainly attributable to the increase in advances on pre-sale of properties and the decrease in land acquisition payment for property development during the Reporting Period; net cash inflow from investing activities was approximately RMB2,212.4 million, representing a year-on-year increase of approximately RMB4,964.0 million in inflow. Such change was mainly attributable to the decrease in debt investments, recovery of investments in joint ventures and associates and collection of borrowings during the Reporting Period; net cash inflow generated from financing activities was approximately RMB487.0 million, representing a year-on-year increase in cash inflows of approximately RMB3,254.6 million. Such change was mainly due to co-ordination of funds and the year-on-year increase in issuance of bonds; and the effect of changes in exchange rate on cash and cash equivalents was approximately RMB10.2 million.

5. Analysis on items of assets and liabilities

Unit: RMB

1. Cash and bank balances: increased by approximately 36.59% from the beginning of the Reporting Period. Such change was mainly due to the increase in cash reserves as a result of the co-ordination of funds of the Company during the Reporting Period.

2. Accounts receivable: increased by approximately 35.65% from the beginning of the Reporting Period. Such change was mainly due to the business expansion of the Company during the Reporting Period.

3. Non-current assets due within one year: increased by approximately 71.57% from the beginning of the Reporting Period. Such change was mainly due to the increase in debt investments due within one year reclassified during the Reporting Period.

4. Other non-current financial assets: increased by approximately 33.77% from the beginning of the Reporting Period. Such change was mainly due to the increase in funds for external investment of the Company during the Reporting Period.

5. Wages payable: decreased by approximately 47.8% from the beginning of the Reporting Period. Such change was mainly due to the payment of performance related bonuses of the previous year by the Company during the Reporting Period.

6. Tax payable: decreased by approximately 40.95% from the beginning of the Reporting Period. Such change was mainly due to the payment of income tax and land appreciation tax by the Company during the Reporting Period.

7. Short-term financing bonds payable: increased by approximately 40% from the beginning of the Reporting Period. Such change was mainly due to the issuance of short-term financing bonds by the Company during the Reporting Period.

8. Other equity instruments: increased by approximately 51.52% from the beginning of the Reporting Period. Such change was mainly due to the issuance of perpetual bonds by the Company during the Reporting Period.

9. Specific reserve: increased by approximately 37.2% from the beginning of the Reporting Period. Such change was mainly due to appropriation of production safety fees during the Reporting Period.

CORE COMPETITIVENESS ANALYSIS

The Company is a leading building material enterprise of environmental protection, energy-saving and emission reduction and recycling development in Beijing-Tianjin-Hebei region, and contributes to the ecological civilization. During the Reporting Period, the Company demonstrated the responsibilities of state-owned enterprises in the capital by insisting on the work requirements of the "One High, Double Win, Three Coordination" (一高雙贏三統籌), comprehensively promoting the implementation of the 14th Five-Year Plan, serving the construction of "four centers" of Beijing with "four developments", and improving the level of "four services" to build a world-class harmonious and livable city.

The Company adhered to the two core businesses of "manufacturing, trading and services of modern green building materials, and real estate", and carried out "benchmarking world-class enterprise value creation action". Combining connotative development with outward expansion, the Company managed effective integration of internal and external resources centering on industrial chain coordination, promoted the overall synergistic development of the industry, enhanced the synergistic competitive advantage of the industrial chain, and strengthened the safety of industrial chain and supply chain. Based on strategic positioning of serving the capital city, the Company took an active part in the urban renewal action of the capital. Focusing on modern material industry, "carbon neutrality and carbon emission peaking" and digital transformation, the Company cultivated and expanded the modern material industry, formulated a series of group management systems for "carbon neutrality and carbon emission peaking”, solidly promoted the implementation of the plan for the transformation of digital intelligence, and accelerated the construction of projects such as the sunshine bidding and procurement platform, the “1211” integrated management and control information platform, and the private cloud data center. Besides, the Company promoted the high-end, intelligent and green transformation and upgrading of the manufacturing industry.

The Company continued to optimize and enhance the industry in the core region of Beijing-Tianjin-Hebei region, expanded the industry layout of key strategic regions, highlighted the value creation ability and corporate profitability, created a model park for collaborative industrial development, consolidated the regional value highland, and transformed the advantages of resource aggregation formed by restructuring into market competitive advantages and sustainable development benefits. The production line with a capacity of 4,500t/d of cement clinkers in Panshi Green Building Materials Industrial Park of Jidong Cement was put into operation, which consolidated the development foundation in Northeast China and created a benchmark for green development of the park. The limestone reserve increased by 628 million tonnes. The modern building materials business focused on the strategies for modern material industry, advanced production lines were put into operation, and BBMG Digital Supply Chain Industrial Park and BBMG Construction Waste Treatment and Mortar Resource Utilization Project were completed; more energy was devoted to the consumption of BBMG’s household supplies, and mortar, paint, furniture, sanitary ware and bathroom were integrated into the supply chain system of household supplies as led by the Tiantan decoration platform, thereby enhancing the comprehensive efficiency of the industrial chain system.

The Company’s science and technology innovation complex and ecosystem accelerated the gathering of innovation elements and resources to release a new driving force. The Company continued to improve the quality of scientific and technological services, the pilot demonstration of BBMG Intelligent Manufacturing Workshop accelerated the gathering of high-end industries, and the investment in science and technology was in place. The Applied Mathematics Institute of Xingfa Science Park (興發科技園應用數學研究院) was completed and put into use, and the acceptance of planning for the Deloitte University Project and the initial decoration of the Project were completed. The second phase of Zhongguancun Xisanqi Science and Technology Park Project was completed on schedule. The Company actively participated in urban renewal projects of Beijing, the land for Qingta Village Shantytown Renovation Project obtained the license and entered the market, the relocation work as well as agreed relocation for Block B Shantytown Renovation Project of Dahongmen Phase I were completed, and the demolition work (private houses excluded) was basically completed. The Company guaranteed the construction of key projects such as the Beijing Sub-Center and Xiong’an New District through providing high-quality green building materials products and services, and promoted the high-value scenarios of digital intelligence and accelerated the construction of data governance system. The Company earnestly implemented the “carbon neutrality and carbon emission peaking” strategy, draw the technology map for “carbon neutrality and carbon emission peaking”, and explored the substitution of clean energy to lead the green, low-carbon and high-quality development of cement industry. The brand influence and industry influence of BBMG, which is characterized by new intelligence, new quality and new ecology, has been significantly improved. As a result, the Company enjoys continuous enhancement of development momentum and continuous strengthening of development basis. It further solidifies its leading position in Beijing-Tianjin-Hebei building material industry and further enhances its industrial competitiveness, control power, influence, and risk resistance capacity.

The core competitiveness of the Company is detailed as follows:

1. **Competitive edge in coordinated development of industrial chain:**

The Company has the advantage of a fully vertically integrated industrial chain. Each industry continues to form its own industrial chain with core competitiveness and industrial resilience to adapt to the new characteristics and new consumer needs. The Company accelerated horizontal integration of similar businesses, vertical integration of upstream and downstream of the industrial chain, and slant integration of key points of the industrial chain. The Company improved the internal information sharing mechanism for enterprise projects, promoted the joint construction and development of all industries by empowering weaker industries with the help of competitive industries, and strengthened the advantages and comprehensive competitiveness of the industrial chain. The Company continuously strengthened the overall synergistic development capability and level of the industrial chain through the domestic sales, chain-type, intensive and group coordinated development, and comprehensively enhanced the synergistic competitive advantage of the industrial chain. The Company established an external sharing mechanism of market resources and strengthened the marketing of the whole industrial chain through promoting the development of industrial chain with small projects. The Company built a BBMG industrial ecology based on the core industrial chain, enhanced the resilience of industrial chain and supply chain, and built a modern industrial system with BBMG's characteristics. BBMG was empowered with digital intelligence, took industrial internet as an effective means to promote industrial digitalization process and accelerate the transformation of manufacturing industry to service-oriented manufacturing, continuously built the leading position in the regional industry, and formed the plan of the whole industrial chain of design, manufacturing, trade, construction, operation and maintenance, and service, manifesting the unique value advantage of the whole industrial chain and the advantage of all-round core competitiveness.

The real estate industry drove the application of modern green and environmentally-friendly building materials, mainly cement, and the development of related industries such as design, decoration, property management, community services and asset operation in a market-oriented manner; the manufacturing of modern green and environmentally-friendly building materials, investment property and service industries constructed high-quality products of BBMG by giving full play to the advantages of brand, management and technology with systemization, industrialization, specialization and integration, led construction product innovation with green and low-carbon buildings, and enhanced the product, service and value enhancement capabilities of property development projects with advanced technologies such as green ultra-low energy consumption and assembly-type components. Leveraging on various resources accumulated by the green and environmentally-friendly building materials manufacturing industry in the implementation of the "going out" strategy, the property development business strengthened regional advantages, operated with efforts, expanded the development pipeline, strengthened land resource reserves in core cities, tapped into high-quality regional markets and optimized the core strategies. The industry revitalized land resources, explored new models and refined BBMG's solutions in the fields such as old community renovation, urban renewal, technology and cultural innovation parks, non-traditional cultural skills inheritance, and leisure and tourism resorts.

Each main business mutually supported and promoted each other, and the scale, synergy, integration and complementary advantages with the industrial chain as the core continued to be enhanced, continuously promoting the leading power of industrial ecology. Each business segment and upstream and downstream enterprises shared information, complemented each other's resources and coordinated, highlighting the integration advantages, coupling the advantages and enhanced the market competitiveness.

2. Competitive edge in science and technology innovation engine:

The Company highlighted the core engine of innovation, continued to strengthen the leading role of innovation, took science and technology innovation as an important strategic focus, and carried out the special plan for science and technology innovation. While ensuring the completion of the three-year action plan for scientific and technological innovation, the Company formulated new action plans for innovations with the focus on the new materials industry, the "carbon neutrality and carbon emission peaking" strategy and the transformation of digital intelligence. The Company compiled and implemented the action plan for the development of new materials industry (2023-2025) to lay a solid foundation for the development of new materials industry. The Company stimulated the science and technology innovation ecosystem resources, and carried out collaborative tackling of key problems centering on key matters such as "bottleneck" technology and industry-wide technology. The Company strengthened the synergy and cooperation among "1+N+X" science and technology innovation complexes of the Group, and opened up channels for transformation of scientific and technological achievements of "R&D side – demand side – market side". The Company built an efficient innovation model with enterprises as the leader, forming a sound situation of upstream and downstream, production, supply and marketing, and large, medium and small enterprises developing in a coordinated way. The Company accelerated the cultivation of new industries and new businesses, took the initiative to provide application scenarios to ecosystem partners and advanced universities in the capital, and cultivated more "technologically advanced" enterprises, invisible champions and individual champion enterprise step by step. The Company promoted the high-quality development of innovative business with the help of the multi-tier capital market, and realized the steady growth of revenues form high-tech industries such as energy conservation and environmental protection, intelligent equipment, new materials, R&D design and inspection, and innovation incubation services. Jidong Cement is the first in the industry to obtain the highest "AAA" rating of the national integration system of IT application with industrialization. The Company successfully issued the first phase of RMB2.0 billion renewable corporate bonds for scientific and technological innovation. Five science and technology projects and a total of 21 key research projects have been launched, and the investment in R&D in the first half of the year surpassed the outstanding performance of enterprises in building materials industry. The relevant enterprises of the Company won 4 provincial and ministerial level science and technology awards; the Group was granted 245 patents, including 55 invention patents and 13 software copyrights.

The Company continued to deepen the construction of science and technology innovation system, and formulated the Detailed Rules for the Assessment and Evaluation of "1+N+X" Science and Technology Innovation Complexes and the Administrative Measures for the Transformation of Scientific and Technological Achievements (Trial) to improve the linkage system of science and technology innovation. The transformation of scientific and technological achievements was completed successfully. Mass production of high-performance concrete was realized in Tianjin and Chongqing; new refractory of Beijing BBMG Tongda Fire-resistant Technology Co., Ltd. was promoted and applied in Hebei BBMG Dingxin Cement Co., Ltd.; special cement and customized cement were successfully applied to key projects such as Dongzhuang Key Water Control Project in Shaanxi Province and the Xi'an Airport expansion.

3. **Leading competitive edge in green development:**

The Company promoted clean production as a new pollution prevention measure and environmental protection concept, and strictly implemented the clean production principle of "energy saving, carbon reduction, consumption reduction, pollution reduction and efficiency enhancement", achieving the alignment of economic, social and environmental benefits of industrial production. The Company strengthened the top-level design of environmental management, formulated guidelines on enterprise environmental management and annual implementation plan for green and low-carbon transformation to provide guidance for the green transformation and development of enterprises.

The Company practised the development concept that "Lucid waters and lush mountains are invaluable assets", continued to consolidate the state-owned enterprise base of green development and promoted sustainable development. The Company insisted on being the pioneer and leader of "green, recycling and low-carbon" development, built a green industry chain supply chain, led green transformation of production and consumption mode, and achieved pollution reduction, carbon reduction, synergy and efficiency improvement. The Company promoted green technology innovation, carried out green design, created green factories and green parks, and promoted ecological restoration and green mine construction. The scale of collaborative disposal of cement kilns ranked in the forefront of the industry, and the business radiated to Beijing-Tianjin-Hebei, Shanxi, Shaanxi, Northeast China and other regions, which constantly enhanced the social value of "urban purifier and good helper of the government", and strengthened the pace of green and sustainable development. Through stable running and control, the Company's pollutant emission level was significantly below the emission control requirements stipulated by the State, and the pollutant emission concentration of enterprises in key areas such as Beijing-Tianjin-Hebei and Fenwei Plain was significantly lower than the special emission limit set by the State. In the first half of 2023, the Company implemented 26 large-scale energy-saving technological transformation projects.

The Company seized the strategic opportunity of peak carbon dioxide emissions and carbon neutrality. The Company established the Group's leading group for "carbon neutrality and carbon emission peaking", built the foundation of the "carbon neutrality and carbon emission peaking" management system, and accelerated the construction of zero-carbon scenarios. The major structure of 100,000-ton carbon capture, storage and utilization demonstration project of Beijing BBMG Beishui Environmental Protection Technology Co., Ltd. was completed, the zero-carbon demonstration project of Xingfa Science Park (興發科技園) was completed, and obtained the zero-carbon building quality label, and the zero-carbon public building demonstration project of "Jinyu Mortar Science and Technology Innovation Center" (金隅砂漿科創中心) was completed. The Company made active efforts to develop the new energy industry, and performed related filling matters for 12 photovoltaic projects. The Company promoted the construction of "highway to railway" green supply in Beijing-Tianjin-Hebei, with a total of 20 channels entering Beijing opened for the first half of the year. The Company developed alternative fuels and promoted the green development of the whole process and life cycle of products. The Company organized the formulation of a non-coalification plan for cement enterprises in Beijing to support the green development of the capital.

4. Competitive edge in industry-finance integration:

The industry-finance integration supports and promotes the development of various main businesses of the Company. The Company has been increasing cooperation with key financial institutions, innovating financing methods, expanding financing channels and reducing financing costs. The Company promoted the construction of the financial intelligence analysis system and financial sharing center to improve the efficiency of capital management. Beijing BBMG Finance and BBMG Finance Lease played a professional role in improving the overall capital operation efficiency of the Company, broadening financing channels and preventing capital risks, thus realizing the organic integration of industrial capital and financial capital. The Company played the role of a platform for listed companies, improved the overall financing efficiency and continuously consolidated the financial foundation for the healthy and sustainable development of the Company. The Company steadily improved financing support capacity and made good overall control of BBMG Group's financing. The Company strengthened the rigid constraint of capital plan and properly optimized the debt structure. The Company successfully issued the perpetual bonds of RMB11.5 billion, constantly optimized the financing structure, continued to reduce the weighted financing cost, took the initiative to study and apply tax and fee reduction policies, and actively strived for fiscal and tax incentives.

5. **Competitive edge in corporate culture and branding:**

The Company highlights leading corporate culture and enhances the brand value of the Company. The Company vigorously promotes the pragmatic working culture of "work with aspiration, competence, efficiency, success and prudence", the human spirits of "eight specials", the development philosophy of "integration, communion, mutual benefit and prosperity", and the corporate spirits with the BBMG spirit of "three emphasis and one endeavor" as the core to carry forward culture and brand value. The Company carries forward the spirit of model workers, labor spirit, craftsmanship and entrepreneurship, and cultivates the culture of innovation. The Company will not forget its original intention and will forge ahead, work hard, face up to difficulties, seize the first opportunity, lay a new situation, lay the foundation for a good start of the 14th Five-Year Plan with excellent performance and strive to create a new situation of high-quality development of BBMG Group.

The culture of BBMG is built based on experiences of numerous cadres and employees within the system. It aims to help employees realize their dreams, and is the driving force and cornerstone for BBMG's substantial development. "BBMG" Brand has been consecutively honored as a well-known trademark in Beijing. The Company ranked 64th in the list of 2023 (20th) "China's 500 Most Valuable Brands" with the value of RMB113.556 billion. Protecting His Persistence was selected into the "List of Outstanding Brand Story of State-owned Enterprises in 2022" by the State-owned Assets Supervision and Administration Commission of the State Council. The Smart Sharing Park of BBMG Intelligent Manufacturing Workshop won the third prize of "The First Digital Scenario Innovation Professional Competition of State-owned Enterprise" by the State-owned Assets Supervision and Administration Commission of the State Council. Beijing BBMG Tiantan Furniture Co., Ltd. was granted the "National May Day Labor Award", and the crushing team of the Mine Operation Department of Datong Jidong Cement Co., Ltd. was awarded the title of "National Worker Pioneer". Li Zhuqin, an employee of Datong Jidong Cement Co., Ltd., was named National Technical Expert. The good brand awareness and reputation have shaped a good cultural atmosphere and intellectual support for creating a new situation of high-quality development of BBMG.

POSSIBLE RISKS FACED BY THE COMPANY

1. External environment risk

The external environment facing China's current development is still intricate and complicated, and the profound changes unseen in a century are evolving rapidly in the world. Therefore, maintaining China's economic operation in a reasonable range still faces many challenges. Internationally, the world economic growth continues to slow down and fluctuate downward, the inflationary pressure is still relatively high, the macroeconomic trends and policies of major economies in the world have diverged, the Ukrainian crisis has severely impacted the global food, energy and supply chains and these problems are still going on, and the artificial intelligence technology represented by ChatGPT is profoundly affecting human production and lifestyle. Domestically, the main problems are insufficient domestic demand, unstable foundation of national economic recovery, and many hidden risks in key areas. However, China's economy has great development resilience and potential, and China will remain on a positive trajectory over the long run. With the increase of residents' income, the gradual strengthening of domestic demand to drive economy, the optimization and adjustment of supply structure and the growth of new kinetic energy, China's economy will recover steadily.

Responses: Seize the opportunity to expand effective demand. The Company will get in on the ground floor, adapt to changes and act accordingly and win market to promote the steady growth of core main businesses by making full use of its own industrial synergy advantages and with the help of the driving effect of national consumption and investment incentive policies such as promoting green building to the countryside, promoting household consumption, steadily promoting the renovation of urban villages in mega cities and supercities and the construction of public infrastructure for "dual purpose of normal and emergency use". The Company will firmly seize the new round of strategic opportunities for the coordinated development of Beijing-Tianjin-Hebei to optimize the industrial layout, strengthen industrial coordination and enhance the capacity and level of regional industrial and supply chains. The Company will strengthen the interconnection and communication with the partners in the industrial ecosystem to promote the implementation of more cooperation projects. The Company will strengthen the driving role of scientific and technological innovation, continuously increase investment in scientific research, speed up technological breakthroughs, accelerate the transformation of scientific research achievements, improve the talent cultivating mechanism and implement digital and intelligent transformation to boost industrial iterative upgrading and create a high-quality development engine. The Company will ensure security in the pursuit of development, maintain the safety and stability of industrial and supply chains, and strengthen and perfect the internal control and emergency disposal systems, so as to prevent and resolve various risk challenges.

2. Policy risk

The development of cement and real estate industry is directly affected by macroeconomic development and national macro-control policies. The central government put forward for the first time "to adapt to the new situation in which the supply and demand relationship in China's real estate market has undergone major changes, and implement the policy of adjusting and optimizing real estate", and to implement different policies in different cities and properly use the policy toolbox to better meet the rigid and improved housing needs of residents and promote the healthy and stable development of the real estate market. In the first half of the year, the relevant ministries and commissions optimized the centralized land supply policy and supported residents' credit and the financing of real estate enterprises, but the effect was not good. The problem of serious overcapacity in the cement industry has not been fundamentally solved. China has comprehensively implemented supply-side structural reforms, strictly implemented the cement production capacity replacement policy, and improved the market-oriented and law-based long-term mechanism for resolving overcapacity. The implementation plan for peak carbon emission in the industrial field and cement industry has been implemented, and the industry is facing stricter policies for energy efficiency and environmental protection control. The industrial policies for double control of carbon emissions, adjustment of transportation structure and cleaner production are increasingly binding on the cement industry.

Responses: The Company will strengthen the analysis and judgment of national macroeconomic policies as well as risk awareness and crisis awareness, and make every effort to increase revenues and exploit markets, increase income and reduce expenditure, and improve quality and efficiency. In terms of real estate business, the Company will focus on the improvement of product strength, brand strength, marketing capability and profitability, and make efforts on the improvement of economic benefits. The Company will take the initiative to meet the needs of urban renewal, improve the high-quality products and services, and maintain stable operation. The Company will make every endeavor to acquire more land reserves in the cities listed on the "white list", and lay the foundation for the future development. For cement enterprises, the Company will adhere to the strategic thinking, proactively adapt to the new characteristics of industry development, enhance the market control power in the core regions, give play to the leading role of large enterprise, and promote the coordination and self-discipline of cement industry. The Company will adhere to the intensive and efficient development and promote the deep integration of industrial chain, innovation chain, capital chain and talent chain in cement industry, and enhance its ability of risk-resistance. The Company will take the initiative to implement the strategy of "carbon neutrality and peak carbon emission", and accelerate the high-end, intelligent and green transformation.

3. Risk of capital operation

In the first half of 2023, the prudent monetary policy was precise and powerful, and the People's Bank of China intensified countercyclical regulation to play the role of monetary policy tools to adjust both the monetary aggregate and the monetary structure. The People's Bank of China maintained the stability of re-lending and rediscount tools, continued to implement the support tools for inclusive loans to small and micro-sized enterprises and the loan support plan of "guaranteeing the delivery of buildings", continued to increase the support for inclusive finance, green development, scientific and technological innovation, infrastructure construction and other key areas and weak links of the national economy, and comprehensively implemented policies to support coordinated regional development, creating a suitable monetary and financial environment for promoting the overall improvement of economic operation. However, China's macro leverage rate is still high and the risks of local debts and corporate debts are rising, which, together with the influence of external trade game, RMB depreciation and other factors, makes the manufacturing industry and real estate industry face greater financial pressure.

Responses: The Company will continue to optimize the financing structure, expand financing channels, and raise funds at low cost to ensure the safety and stability of the Company's capital chain. The Company will strengthen the process control, carry out the special work of reduction of "accounts receivable and inventory", accelerate de-stocking and reduce accounts receivable. The Company will focus on deleveraging, strengthen the dual control of "debt scale and asset-liability ratio", and ensure that the asset-liability ratio is controlled at a reasonable level. The Company will push forward the asset securitization, and actively promote the implementation of its asset securitization project of accounts receivable in the concrete industry. The Company will give full play to the advantageous role of the finance company and financial leasing company, optimize the debt structure of the Company, and escort the overall capital operation of the Company.

4. Market competition risk

The cement industry encountered unprecedented difficulties in the first half of 2023. Affected by the overall weak demand and high inventories, the cement price continued to remain at a low level as compared with those in the same periods in history, making it more difficult for cement enterprises to operate, and the losses of cement enterprises continued to increase. Especially since the second quarter, the demand for cement in the peak seasons fell short of expectations, which, together with the disorderly price competition in some areas, intensified the decline in the quantity and price of the cement industry and greatly reduced the profits of the industry. Affected by multiple regulatory policies, the growth rate of investment in the real estate industry continued to decline, and the pressure to sell the inventories continued to increase. The real estate industry has changed from the "peak era" to the "quality era", requiring that products and services shall have higher quality. The renovation of urban villages in mega cities and supercities in China will bring new opportunities to the real estate industry.

Responses: For the cement business, the Company should rationally face the current situation of cement market, adjust and optimize the marketing strategies based on the market situations in different regions, promote the rise of quantity, price and profit, and resolutely curb the downward trend of benefits. The Company should actively explore the regional development mode of the whole upstream and downstream industrial chain with cement as the core, and pilot such mode in some areas first. The Company should unswervingly implement the extensive development strategy of low-cost expansion, expand the advanced production capacity and enhance the development energy level. The Company should actively explore various forms of cooperation to achieve the advantage complementation with other enterprises, accelerate the promotion of regional industrial concentration, and lead and promote the high-quality development of the industry. For the real estate business, the Company should continuously improve the level of refined management, constantly optimize and improve a set of refined management processes of land acquisition, design, construction and sales, and enhance the management efficiency and market competitiveness. On the basis of properly implementing the policy for "accelerating cash flow" (好水快流) and "disposing of all inventories that should be disposed of", the Company should actively explore the key areas on the "white list", increase the land resources reserve, and seize the opportunity of urban renewal, so as to achieve the steady and sustainable development. The Company should play the role of "chain length" to drive the development of other industrial segments and enhance the overall economic benefits of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2023, the Group's total assets amounted to approximately RMB284,439.4 million, representing an increase of approximately 1.0% from the beginning of the Reporting Period, which comprised total liabilities of approximately RMB190,810.7 million, minority interests of approximately RMB22,168.2 million and total equity attributable to the shareholders of the parent company of approximately RMB71,460.4 million. As at 30 June 2023, total shareholders' equity amounted to approximately RMB93,628.7 million, representing a decrease of approximately 1.3% from the beginning of the Reporting Period. As at 30 June 2023, the Group's net current assets were approximately RMB35,746.9 million, representing a decrease of approximately RMB2,232.8 million from the beginning of the Reporting Period. Debt ratio (total liabilities to total assets) was 67.1%, representing an increase of approximately 0.8 percentage point from the beginning of the Reporting Period.

As at 30 June 2023, the Group's cash and bank balances amounted to approximately RMB21,850.0 million, representing an increase of approximately RMB5,853.6 million from the beginning of the Reporting Period. During the Reporting Period, the Group generally financed its operations with internally generated resources, short-term financing bonds, perpetual bonds, corporate bonds, medium-term notes, private bonds and banking facilities provided by its principal bankers in the PRC. As at 30 June 2023, the Group's interest-bearing bank borrowings amounted to approximately RMB71,536.6 million (as at 31 December 2022: RMB66,898.1 million) which bore fixed interest rates and were all denominated in Renminbi. Among these borrowings, approximately RMB36,829.0 million interest-bearing bank borrowings were due for repayment within one year, representing an increase of approximately RMB2,568.1 million from the beginning of the Reporting Period. Approximately RMB34,707.6 million interest-bearing bank borrowings were due for repayment after one year, representing an increase of approximately RMB2,070.4 million from the beginning of the Reporting Period. The Group's interest-bearing bank borrowings were all denominated in RMB.

During the Reporting Period, the Company has paid the principals and interests of borrowings in a timely manner. The Company has sufficient capital for its operations.

According to relevant Board resolutions and resolutions of the general meeting, if it is predicted that the interest and principal of the bonds cannot be repaid on time when due or if the interest and principal of the bonds cannot be repaid at the end of the period, the Company shall at least adopt the following measures:

1. No profits shall be distributed to the shareholders;

2. Significant external investment, mergers and acquisitions, and other capital expenditure projects shall be postponed;

3. Salary and bonus of Directors and senior management shall be reduced or suspended;

4. The main responsible person in relation to the Company's bonds shall not be transferred.

As at the date of this announcement, the Company has strictly complied with and fulfilled the above undertakings.

DISCLOSEABLE TRANSACTIONS DURING THE REPORTING PERIOD

During the Reporting Period, the Group had not conducted any transaction that was required to be disclosed.

SPIN-OFF

The Company (i) directly holds 43.38% equity interest in Beijing Building Materials Testing Academy Co., Ltd. (北京建築材料檢驗研究院股份有限公司) ("**BBMTA**", an indirect non-wholly owned subsidiary of the Company); (ii) holds approximately 26.52% and 1.18% equity interest in BBMTA through its two indirect non-wholly owned subsidiaries, Tianjin Building Materials Scientific Study Co., Ltd. Co., Ltd. (天津市建築材料科學研究院有限公司) and Hebei Building Material Industry Design & Research Institution (河北省建築材料工業設計研究院有限公司) respectively; and (iii) holds another approximately 28.92% equity interest in BBMTA through its direct wholly-owned subsidiary, Beijing Building Materials Academy Co., Ltd. (北京建築材料科學研究總院有限公司). On 29 September 2022, BBMTA submitted an application to the National Equities Exchange and Quotations Co., Ltd.* (全國中小企業股份轉讓系統有限責任公司) ("**NEEQ Co., Ltd.**") for quotation of its shares on the National Equities Exchange and Quotations (the "**NEEQ**") (the "**Proposed Spin-off**").

As the Company does not intend to effect any sale of its shares in BBMTA in connection with the Proposed Spin-off, and there is no planned issue of new shares by BBMTA in connection with the Proposed Spin-off for now, BBMTA will remain an indirect non-wholly owned subsidiary of the Company immediately upon the completion of the Proposed Spin-off, and the financial results and position of BBMTA will continue to be consolidated in the financial statements of the Company. The Proposed Spin-off will not constitute a deemed disposal under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and will not be required to obtain the approval by the shareholders' general meeting of the Company.

According to Practice Note 15 to the Listing Rules, the Company has submitted an application in relation to the Proposed Spin-off to The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") for approval. The Listing Committee of the Stock Exchange confirmed that the Company may proceed with the Proposed Spin-off.

On 28 December 2022, BBMTA obtained the Letter on Approval of Quotation of the Shares of BBMTA on the NEEQ (《關於同意北京建築材料檢驗研究院股份有限公司股票在全國中小企業股份轉讓系統掛牌的函》) issued by NEEQ Co., Ltd., which gave consent to the quotation of the shares of BBMTA on the NEEQ.

The quotation and public transfer of the shares of BBMTA on the NEEQ has commenced on 11 January 2023.

For details of the Proposed Spin-off, please refer to the announcements of the Company dated 30 September 2022, 10 October 2022, 30 December 2022 and 11 January 2023.

CONNECTED TRANSACTION

During the Reporting Period, the Group had not conducted any connected transaction that was required to be disclosed.

COMMITMENTS

Unit: RMB

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Asset acquisition or construction contracts entered into but not completed	**825,472,544.67**	699,644,218.25
Property development contracts entered into and being executed or will be executed	**8,502,988,862.83**	7,100,337,988.90
	9,328,461,407.50	7,799,982,207.15

CONTINGENCIES

Unit: RMB

		As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Provision of guarantee on mortgage to third parties	*Note 1*	**12,104,862,376.66**	6,289,946,154.12
Provision of guarantee on loans and others to third parties	*Note 2*	**810,000,000.00**	840,000,000.00
Provision of guarantee on loans and others to related parties	*Note 3*	**757,168,301.70**	817,630,801.70
		13,672,030,678.36	7,947,576,955.82

Note 1: Certain customers of the Group have purchased the commodity housing developed by the Group by way of bank mortgage (secured loans). According to the bank requirement in respect of the secured loans of the individual purchase of housing, the Group has provided guarantees to secure the periodical and joint obligation of such secured loans granted by banks for home buyers. These guarantees will be released upon obtaining building ownership certificates and completion of formalities of mortgage by the home buyers. The management is of the opinion that in the event of default in payments, the net realizable value of the relevant properties is sufficient to cover the outstanding mortgage principals together with the accrued interests and penalties, and therefore no provision for the guarantees has been made in the financial statements.

Note 2: Jidong Group, a subsidiary of the Group, provided guarantees with joint obligations on the borrowings of RMB810,000,000.00 for Tangshan Culture & Tourism Investment Group Co., Ltd. (唐山市文化旅遊投資集團有限公司). The guarantee will expire on 21 May 2029.

Note 3: Tangshan Jidong Cement Co., Ltd., a subsidiary of the Group, provided secured guarantees for three borrowings of RMB32,000,000.00, RMB20,000,000.00 and RMB15,000,000.00 for Anshan Jidong Cement Co., Ltd., which will expire on 25 August 2023, 29 November 2023 and 29 May 2024, respectively.

BBMG Corporation provided secured guarantee for Nanjing Huayu Real Estate Development Co., Ltd. (南京鏵隅房地產開發有限公司) with guarantee amount of RMB651,325,000.000, which will expire on 21 March 2023.

Beijing BBMG Property Development Group Co., Ltd. provided unconditional and irrevocable guarantees with joint obligations on letter of cash guarantee issued by Beijing Branch of CHINA BOHAI BANK CO., LTD. (渤海銀行股份有限公司) for Beijing Zhongtai Jinjian Real Estate Development Co., Ltd. (北京中泰金建房地產開發有限公司) with guarantee amount of RMB38,843,301.70, which will expire on 30 September 2025.

PLEDGE OF ASSETS

As at 30 June 2023, certain of the Group's inventories, fixed assets, investment properties, land use rights, construction in progress and equity interest totaling approximately RMB29,193.0 million (as at 31 December 2022: RMB39,070.7 million) were pledged or mortgaged to secure the short-term and long-term loans of the Group, which accounted for approximately 10.3% of the total assets of the Group (as at 31 December 2022: 13.9%).

EMPLOYEES

As at 30 June 2023, the Group had 45,112 employees in total (as at 31 December 2022: 45,991). During the Reporting Period, the aggregate remuneration of the Group's employees (including Directors' remuneration) amounted to approximately RMB3,465.7 million (for the six months ended 30 June 2022: RMB3,367.1 million), representing an increase of approximately 2.9%. The Group provides its employees in the PRC with retirement insurance, medical insurance, unemployment insurance, maternity insurance and industrial injury insurance as well as a housing provident fund pursuant to PRC laws and regulations. The Group pays salaries to its employees based on a combination of factors such as their positions, lengths of service and work performance, and reviews these salaries and benefits on a regular basis.

RISK MANAGEMENT

The Group has established and maintained sufficient risk management procedures to identify and control various types of risk within the organisation and the external environment with active management participation and effective internal control procedures, which is in the best interest of the Group and its shareholders.

FOREIGN EXCHANGE RISK MANAGEMENT

The Group mainly operates its business in the PRC. During the Reporting Period, sales proceeds and procurement expenses of the Group were mainly denominated in RMB. Most of the Group's financial instruments such as accounts and bills receivable, cash and bank balances are denominated in the same currency or a currency that is pegged to the functional currency of the operations to which the transactions are related. Accordingly, it is believed that the Group has minimal foreign exchange risks. The Group has not used any forward contract or currency borrowing to hedge its interest rate risks. Fluctuations of the exchange rates of foreign currencies did not constitute any material challenges to the Group or have any significant effects on its operations or working capital during the Reporting Period. However, the management will continue to monitor foreign exchange risks and adopt prudent measures as appropriate.

TREASURY POLICIES

The Group adopts conservative treasury policies and controls tightly its cash and risk management. The Group's cash and bank balances are held mainly in RMB. Surplus cash is generally placed in short term deposits denominated in RMB.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the Reporting Period, the Group had not conducted any substantial acquisition or disposal of subsidiaries, associates or joint ventures that were required to be disclosed.

SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

As at the date of this announcement, the Group did not have any significant event after balance sheet date required to be disclosed.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

As at 30 June 2023, the total issued share capital of the Company was 10,677,771,134 shares, of which 8,339,006,264 were A Shares and 2,338,764,870 were H Shares. To the best knowledge of the directors of the Company (the "**Directors**"), the records of interest (being 5% or more of the Company's issued share capital) as registered in the register of interests kept by the Company under section 336 of the Securities and Futures Ordinance (the "**SFO**") were as follows:

Long positions:

Type of shareholding	Name of shareholder	Capacity and nature of interest	Number of shares held	Percentage of such shareholding in the same type of issued share capital *(%)*	Percentage of total issued share capital *(%)*
A Shares	Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司) *(Note)*	Direct beneficial owner	4,797,357,572	57.53	44.93
	State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality *(Note)*	Held by controlled corporation	4,797,357,572	57.53	44.93

Note: Beijing State-owned Capital Operation and Management Company Limited is a collectively-owned enterprise established under the laws of the PRC with registered capital fully paid up by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality.

Save as disclosed above, as at 30 June 2023, so far as was known to the Directors, there were no other parties who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SHARES AND UNDERLYING SHARES

As at 30 June 2023, the interests or short positions of the Company's Directors, supervisors or chief executive in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register of interests maintained by the Company, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange, were as follows:

Name	Position	Capacity and nature of interest	Number of shares held	Type of shareholding	Percentage of such shareholding in the same type of issued share capital (%)	Percentage of total issued share capital (%)
Wang Zhaojia	Director	Beneficial owner	37,500 Shares	A Shares	0.00%	0.00%

All the shareholding interests listed in the above table are "long" positions.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the model code for securities transactions by the Directors, supervisors and relevant employees on terms no less exacting than the required standards set out in the Model Code. Relevant employees who are likely to be in possession of inside information in relation to the purchase and sale of the securities of the Company are also required to comply with the Model Code.

As at 30 June 2023, the Directors were not aware of any issues of the Directors, supervisors and relevant employees not in compliance with the Model Code during the six months ended 30 June 2023. Specific enquiry has been made to all Directors and supervisors, who have confirmed that they had complied with the Model Code during the Reporting Period.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Group did not sell, repurchase or redeem any of the securities of the Company during the six months ended 30 June 2023.

CORPORATE GOVERNANCE CODE

Good corporate governance is conducive to enhancing overall performance and accountability and is essential in modern corporate governance. The Board continuously observes the principles of good corporate governance in the interests of Shareholders and devotes considerable effort identifying and formalizing the best practice. During the Reporting Period, the Company had reviewed its corporate governance documents and save as disclosed in the section headed "Board Composition" below in this announcement, the Board is of the view that the Company had fully complied with the code provisions of the Corporate Governance Code set out in Appendix 14 to the Listing Rules.

BOARD COMPOSITION

The balance of power and authorities is ensured by the operation of the Board and the senior management, which comprise experienced and high caliber individuals. As of the date of this announcement, the Board comprises two executive Directors, two non-executive Directors and four independent non-executive Directors. It has a strong independence element in its composition.

According to the resolution of the Board dated 9 February 2023, Mr. Jiang Yingwu, an executive Director of the Company, was appointed as the chairman of the sixth session of the Board and the chairman of the Strategic Committee of the sixth session of the Board with effect from 9 February 2023 and the term of each appointment is the same as that of the sixth session of the Board. On the same day, the Board received the resignation report of Mr. Jiang Yingwu in relation to the resignation from the position of general manager of the Company due to job change, and the resignation from the position of general manager of the Company took effect on 9 February 2023. For details of the above changes, please refer to the announcement of the Company dated 9 February 2023.

The Company received a resignation letter from the independent non-executive Director, Ms. Li Xiaohui, on 3 April 2023. Ms. Li Xiaohui resigned as an independent non-executive Director of the Company, the chairman of the Audit Committee, a member of the Remuneration and Nomination Committee and a member of the Strategic Committee due to her work re-designation. Following the resignation of Ms. Li Xiaohui as an independent non-executive Director, there is a vacancy for the chairman of the Audit Committee as required under Rule 3.21 of the Listing Rules. In order to satisfy the requirement under Rule 3.23 of the Listing Rules, at the 25th meeting of the sixth session of the Board held on 27 April 2023, (i) Mr. Hong Yongmiao, an independent non-executive director of the Company, has been elected as the chairman of the Audit Committee of the sixth session of the Board; (ii) Mr. Liu Taigang, an independent non-executive Director of the Company, has been elected as the chairman of the Remuneration and Nomination Committee of the sixth session of the Board; and (iii) Mr. Hong Yongmiao has resigned as the chairman of the Remuneration and Nomination Committee of the sixth session of the Board but has remained as a member for the Remuneration and Nomination Committee of the sixth session of the Board. The above appointment took effect on 27 April 2023. The term of office of the newly elected chairmen of the Audit Committee and Remuneration and Nomination Committee and the remained member for the Remuneration and Nomination Committee is the same as the sixth session of the Board and as disclosed in the 2022 annual report of the Company. Following the above election of the chairman of the Audit Committee, the Company has complied with the relevant requirements under Rules 3.21 and 3.23 of the Listing Rules. For details of the above changes, please refer to the announcements of the Company dated 3 April 2023 and 27 April 2023.

On 14 June 2023, the Company received a resignation letter from Mr. Wu Dong ("**Mr. Wu**") to tender his resignation as an executive director and a member of the Remuneration and Nomination Committee of the Company with effect from 14 June 2023. Mr. Wu's resignation is a result of his work re-designation. For details of the above resignation of Mr. Wu, please refer to the announcement of the Company dated 14 June 2023.

AUDIT COMMITTEE

The Company has established the Audit Committee pursuant to the provisions of the Listing Rules, aimed at reviewing and supervising the Group's financial reporting procedures. The Audit Committee is composed of two non-executive Directors and four independent non-executive Directors. At the meeting convened on 23 August 2023, the Audit Committee had reviewed and considered the Group's unaudited interim consolidated financial statements and the internal audit report for the six months ended 30 June 2023, reviewed the accounting principles and practices adopted by the Group, considered the Group's financial statements for the first half of 2023 and recommended their adoption by the Board.

As at the date of this announcement, members of the Audit Committee are Mr. Wang Zhaojia (non-executive Director), Mr. Gu Tiemin (non-executive director), Mr. Yu Fei (independent non-executive Director), Mr. Liu Taigang (independent non-executive Director), Mr. Hong Yongmiao (independent non-executive Director) and Mr. Tam Kin Fong (independent non-executive Director). Mr. Hong Yongmiao is the chairman of the Audit Committee.

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE HONG KONG STOCK EXCHANGE

The electronic version of this announcement will be published on the website of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and on the website of the Company (http://www.bbmg.com.cn/listco). The 2023 interim financial report of the Company for the six months ended 30 June 2023 prepared in accordance with the China Accounting Standards for Business Enterprises, which contains the applicable information required under Appendix 16 to the Listing Rules, will be despatched to the Shareholders and published on the websites of the Hong Kong Stock Exchange and the Company in due course. The PRC domestic interim results report for the six months ended 30 June 2023 and its abstract will be released on the website of the Shanghai Stock Exchange (http://www.sse.com.cn) and the website of the Company (http://www.bbmg.com.cn/listco) around the same time as this interim results announcement.

ACKNOWLEDGEMENTS

I would like to take this opportunity to sincerely thank all shareholders, regulatory authorities, customers, partners and friends from all walks of life for your constant trust on behalf of the board of directors. At the same time, I would also like to thank the colleagues of the board of directors and the supervisory board of the Company for your diligence and dedication and all employees of the Company for your hard work. In the new journey, we will strengthen our confidence, overcome difficulties and forge ahead to make new and greater contributions to the realization of the vision of "building a world-class industrial group and making the Company enter the world's top 500" and the continuous return to investors!

By order of the Board
BBMG Corporation*
Jiang Yingwu
Chairman

Beijing, the PRC, 24 August 2023

As at the date of this announcement, the executive directors of the Company are Jiang Yingwu and Zheng Baojin; the non-executive directors of the Company are Gu Tiemin and Wang Zhaojia; and the independent non-executive directors of the Company are Yu Fei, Liu Taigang, Hong Yongmiao and Tam Kin Fong.

* *For identification purposes only*