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 2025

FINANCIAL HIGHLIGHTS

- Operating revenue of approximately RMB45,565.7 million, increased by approximately RMB3.3 million or 0.01% from the interim period of 2024
- Gross profit margin from principal business of approximately 10.6%, increased by approximately 1.0 percentage points from the interim period of 2024
- Net loss of approximately RMB1,908.9 million, increased by approximately RMB159.4 million or 9.1% as compared with net loss in the interim period of 2024
- Net loss attributable to shareholders of the parent company of approximately RMB1,495.6 million, increased by approximately RMB688.9 million or 85.4% as compared with net loss attributable to the shareholders of the parent company in the interim period of 2024
- Basic losses per share attributable to the shareholders of the parent company (after deducting other equity instrument indicators) was approximately RMB0.19, increased by approximately RMB0.07 or 58.3% as compared with basic losses per share (after deducting other equity instrument indicators) of approximately RMB0.12 in the interim period of 2024
- Basic losses per share attributable to the shareholders of the parent company (before deducting other equity instrument indicators) was approximately RMB0.14, increased by approximately RMB0.06 or 75.0% as compared with basic losses per share (before deducting other equity instrument indicators) of approximately RMB0.08 in the interim period of 2024

* *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 2025 (the "**Reporting Period**"), prepared in accordance with the China Accounting Standards for Business Enterprises, together with the comparative figures for the corresponding period of 2024. These interim financial results have been reviewed by the audit and risk committee of the Company (the "**Audit and Risk Committee**") and Deloitte Touche Tohmatsu Certified Public Accountants LLP, the auditor of the Company.

RESULTS OF OPERATIONS

During the Reporting Period, the Group recorded a net loss attributable to shareholders of the parent company of approximately RMB1,495.6 million, increased by approximately RMB688.9 million or 85.4% as compared with a net loss attributable to shareholders of the parent company of approximately RMB806.7 million over the corresponding period of last year; basic losses per share was approximately RMB0.19 (for the six months ended 30 June 2024: basic losses per share of approximately RMB0.12), representing a year-on-year increase of approximately RMB0.07 or 58.3%; total equity attributable to the shareholders of the parent company was approximately RMB72,522.3 million at the end of the Reporting Period, representing a decrease of approximately RMB1,195.2 million or 1.6% 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 2025 (for the six months ended 30 June 2024: Nil).

UNAUDITED CONSOLIDATED INCOME STATEMENT

Unit: RMB

	Notes	**For the six months ended 30 June 2025 (Unaudited)**	For the six months ended 30 June 2024 (Unaudited)
Operating revenue	*3*	**45,565,715,081.09**	45,562,407,331.79
Less: Operating costs	*4*	**40,610,242,298.51**	40,982,650,674.45
Tax and surcharges		**853,262,364.92**	570,745,602.12
Selling expenses	*5*	**1,136,308,505.74**	1,115,344,204.47
Administrative expenses	*6*	**3,423,568,609.45**	3,379,050,662.91
Research and development expenses	*7*	**356,665,451.80**	301,293,426.83
Finance costs	*8*	**1,457,741,352.50**	1,584,491,885.65
Including: Interest expense		***1,526,470,301.26***	*1,658,038,451.20*
Interest income		***91,289,093.43***	*85,847,026.05*
Add: Other gains	*9*	**310,744,508.35**	210,176,136.00
Investment gains	*10*	**248,097,867.50**	189,787,857.94
Including: (Losses)/gains from investment in associates and joint ventures		***(91,260,867.36)***	*135,608,148.50*
Derecognition gains on financial assets measured at amortized cost		***23,173,416.70***	*4,819,320.31*
Gains from changes of fair value	*11*	**184,847,367.81**	210,055,644.08
Credit impairment losses	*12*	**(51,007,026.01)**	(57,781,032.14)
Asset impairment losses	*13*	**(62,517,152.00)**	(330,627,705.69)
Gains on disposal of assets	*14*	**204,982,947.95**	999,789,339.88
Operating loss		**(1,436,924,988.23)**	(1,149,768,884.57)
Add: Non-operating revenue	*3*	**159,521,552.82**	99,731,470.96
Less: Non-operating expenses	*4*	**52,971,654.08**	20,416,312.00
Total loss		**(1,330,375,089.49)**	(1,070,453,725.61)
Less: Income tax expenses	*15*	**578,489,080.97**	679,089,039.98
Net loss		**(1,908,864,170.46)**	(1,749,542,765.59)
Classified by continuing operations			
Net loss from continuing operations		**(1,908,864,170.46)**	(1,749,542,765.59)
Classified by attribution of ownership			
Net loss attributable to the shareholders of the parent company		**(1,495,582,382.78)**	(806,672,814.70)
Minority interests		**(413,281,787.68)**	(942,869,950.89)

UNAUDITED CONSOLIDATED INCOME STATEMENT (Continued)
Unit: RMB

	Note	**For the six months ended 30 June 2025 (Unaudited)**	For the six months ended 30 June 2024 (Unaudited)
Net other comprehensive income after tax		**74,542,153.73**	(126,289,897.07)
Net other comprehensive income after tax attributable to shareholders of the parent company		**65,767,370.40**	(69,824,999.95)
Other comprehensive income not allowed to be reclassified into profit or loss		**(15,206,925.04)**	(73,672,543.25)
Changes arising from re-measurement of defined benefit plans		**(1,721,648.54)**	(5,914,655.80)
Changes in fair value of investment in other equity instruments		**(13,485,276.50)**	(67,757,887.45)
Other comprehensive income to be reclassified into profit or loss		**80,974,295.44**	3,847,543.30
Other comprehensive income that may be reclassified into profit or loss under the equity method		**8,268,973.26**	450,544.04
Exchange differences on foreign currency translation		**(10,634,378.73)**	3,396,999.26
The difference between the fair value and the carrying value of the self-occupied properties or inventories on the date when it changed to the investment properties measured with the fair value model		**83,339,700.91**	–
Net other comprehensive income after tax attributable to minority interests		**8,774,783.33**	(56,464,897.12)
Total comprehensive income		**(1,834,322,016.73)**	(1,875,832,662.66)
Including:			
Total comprehensive income attributable to the shareholders of the parent company		***(1,429,815,012.38)***	*(876,497,814.65)*
Total comprehensive income attributable to minority interests		***(404,507,004.35)***	*(999,334,848.01)*
Basic and diluted losses per share (RMB/share)	*16*		
After deducting other equity instrument indicators		**(0.19)**	(0.12)
Before deducting other equity instrument indicators		**(0.14)**	(0.08)

UNAUDITED CONSOLIDATED BALANCE SHEET

Unit: RMB

	Notes	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Current Assets			
Cash and bank balances		**18,898,560,111.33**	18,292,078,276.08
Financial assets held for trading		**1,735,863,767.09**	1,172,593,404.61
Bills receivable	*18*	**925,034,091.85**	807,322,521.79
Accounts receivable	*19*	**12,168,598,014.95**	10,587,441,407.24
Receivables financing		**965,953,833.74**	885,835,186.93
Prepayments		**3,461,130,359.30**	3,106,818,812.94
Other receivables		**6,214,449,970.38**	5,419,560,183.17
Inventories	*20*	**85,824,544,765.31**	83,656,491,773.69
Contract assets		**439,348,685.46**	489,245,361.82
Non-current assets due within one year		**1,790,111,236.03**	766,358,369.93
Other current assets		**8,861,331,426.50**	8,011,719,626.52
Total current assets		**141,284,926,261.94**	133,195,464,924.72
Non-current assets			
Debt investments		**443,512,830.64**	858,770,664.33
Long-term receivables		**1,812,793,881.94**	2,089,895,870.55
Long-term equity investments		**9,585,781,530.93**	9,358,406,745.44
Investment in other equity instruments		**621,408,438.14**	654,486,823.56
Other non-current financial assets		**551,150,391.45**	489,561,240.56
Investment properties		**46,142,303,875.35**	45,050,117,856.24
Fixed assets		**44,370,007,130.64**	45,233,562,353.34
Construction in progress		**2,214,469,876.60**	2,003,383,911.57
Right-of-use assets		**867,837,552.98**	946,709,363.05
Intangible assets		**17,014,379,597.71**	16,271,662,332.20
Goodwill		**2,802,658,506.57**	2,644,369,314.19
Long-term deferred expenditures		**2,075,607,135.99**	1,974,373,975.35
Deferred income tax assets		**2,053,582,419.15**	2,917,647,914.59
Other non-current assets		**295,435,148.42**	307,307,411.42
Total non-current assets		**130,850,928,316.51**	130,800,255,776.39
Total assets		**272,135,854,578.45**	263,995,720,701.11

UNAUDITED CONSOLIDATED BALANCE SHEET (Continued)
Unit: RMB

	Notes	As at **30 June 2025** **(Unaudited)**	As at 31 December 2024 (Audited)
Liabilities and equity attributable to shareholders			
Current liabilities			
Short-term loans	*21*	**30,116,171,797.69**	28,335,162,449.14
Bills payable	*22*	**4,848,148,855.83**	3,055,166,040.97
Accounts payable	*23*	**19,307,362,069.13**	20,944,153,978.57
Receipts in advance		**303,171,968.01**	326,427,424.85
Contract liabilities		**7,517,207,982.70**	5,988,832,582.80
Wages payable		**227,653,864.61**	297,399,921.72
Tax payable		**1,157,668,208.73**	1,204,735,864.89
Other payables		**7,316,153,734.75**	6,660,906,438.99
Non-current liabilities due within one year		**21,611,782,257.85**	20,823,307,618.07
Short-term financing bonds payable	*24*	**5,048,592,876.71**	6,026,458,630.14
Other current liabilities		**3,586,212,175.31**	3,116,401,307.48
Total current liabilities		**101,040,125,791.32**	96,778,952,257.62
Non-current liabilities			
Long-term loans	*25*	**50,469,989,339.75**	50,899,057,721.01
Bonds payable	*24*	**18,339,178,698.90**	14,913,432,646.31
Lease liabilities		**443,016,870.08**	458,491,118.63
Long-term payables		**438,476,500.34**	259,601,004.90
Long-term wages payable		**392,978,930.18**	389,947,884.18
Accrued liabilities		**667,174,242.33**	689,202,184.41
Deferred income		**753,456,125.06**	798,598,254.47
Deferred income tax liabilities		**6,874,153,447.26**	6,691,116,499.36
Other non-current liabilities		**1,657,000,000.00**	-
Total non-current liabilities		**80,035,424,153.90**	75,099,447,313.27
Total liabilities		**181,075,549,945.22**	171,878,399,570.89

UNAUDITED CONSOLIDATED BALANCE SHEET (Continued)
Unit: RMB

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Equity attributable to shareholders		
Share capital	**10,677,771,134.00**	10,677,771,134.00
Other equity instruments	**31,756,322,824.11**	30,457,376,000.00
Including: Perpetual bonds	**31,756,322,824.11**	*30,457,376,000.00*
Capital reserve	***5,033,063,982.55***	5,038,256,982.55
Other comprehensive income	**751,490,686.89**	672,456,324.65
Specific reserve	**81,010,908.30**	79,233,220.09
Surplus reserve	**3,032,786,180.00**	3,032,786,180.00
General risk reserve	**497,216,299.67**	497,216,299.67
Retained earnings	**20,692,630,934.72**	23,262,404,290.69
Total equity attributable to the shareholders of the parent company	**72,522,292,950.24**	73,717,500,431.65
Minority interests	**18,538,011,682.99**	18,399,820,698.57
Total equity attributable to shareholders	**91,060,304,633.23**	92,117,321,130.22
Total liabilities and equity attributable to shareholders	**272,135,854,578.45**	263,995,720,701.11

Notes:

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

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China and relevant regulations. In addition, relevant financial information is disclosed in the financial statements according to the Regulations on Information Disclosure and Compilation of Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reporting and is prepared after taking into consideration the disclosure requirements as stipulated in the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in the preparation.

The financial statements are prepared on a going concern basis.

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 impairment of accounts receivable, inventory valuation methods, provision for decline in value of inventories, the depreciation of fixed assets, revenue recognition, the recognition and allocation of development costs on properties under construction, etc.

The accounting policies adopted in the preparation of financial statements for the six months ended 30 June 2025 are consistent with those of the annual financial statements for the year ended 31 December 2024, as described in those annual financial statements.

Change in Significant Accounting Estimates

Details and reasons for change in accounting estimates	Commencement date	Name of the statement item materially affected	Amount affected (RMB)
On 29 March 2025, the Board of the Company approved the change in the depreciation life of machinery and equipment. The Group conducted a detailed assessment on the use of machinery and equipment assets. At the same time, with reference to the situation of companies in the same industry and in order to more fairly and truly reflect the condition of assets and operating results of the Group and make the depreciation life of fixed assets closer to the actual useful life and the depreciation period more reasonable, upon consideration and approval of the Board of the Company, the Group adjusted the depreciable life of certain machinery and equipment from 15 years to 5-20 years since 1 January 2025.	1 January 2025	Fixed assets and operating costs	263,454,739.47

2. OPERATING SEGMENT INFORMATION

Operating segments

For management purposes, the Group is organised into business units based on their products and services, and has two segments, namely modern green building materials segment and property development and operation segment.

The management manages the operating 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 segment 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 2025 (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	40,132,661,668.82	5,433,053,412.27	-	-	45,565,715,081.09
Revenue from inter-segment transactions	824,855,880.96	68,542,111.05	-	(893,397,992.01)	-
	40,957,517,549.78	5,501,595,523.32	-	(893,397,992.01)	45,565,715,081.09
Gains/ (losses) on investment in joint ventures and associates	89,026,241.91	(180,287,109.27)	-	-	(91,260,867.36)
Asset impairment losses	(21,024,528.19)	(41,492,623.81)	-	-	(62,517,152.00)
Credit impairment losses	(47,182,116.97)	(3,824,909.04)	-	-	(51,007,026.01)
Depreciation and amortisation costs	2,290,533,209.40	293,564,946.54	20,158,561.01	-	2,604,256,716.95
Total profits/(losses)	543,259,958.18	(1,503,562,043.50)	(249,248,629.41)	(120,824,374.76)	(1,330,375,089.49)
Income tax expense	307,594,427.63	363,412,904.38	(62,312,157.35)	(30,206,093.69)	578,489,080.97
Total assets	130,480,589,517.89	175,874,831,400.56	172,361,067.18	(34,391,927,407.18)	272,135,854,578.45
Total liabilities	84,183,535,212.37	102,935,728,669.06	28,178,618,808.99	(34,222,332,745.20)	181,075,549,945.22
Long-term equity investment in joint ventures and associates	1,470,752,310.06	8,115,029,220.87	-	-	9,585,781,530.93
Increase in other non-current assets, excluding long-term equity investments	3,672,331,414.84	1,010,063,190.00	-	-	4,682,394,604.84

For the six months ended 30 June 2024 (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	34,662,777,153.73	10,899,630,178.06	–	–	45,562,407,331.79
Revenue from inter-segment transactions	801,136,117.11	86,332,565.22	–	(887,468,682.33)	–
	35,463,913,270.84	10,985,962,743.28	–	(887,468,682.33)	45,562,407,331.79
Gains on investment in joint ventures and associates	18,589,380.25	117,018,768.25	–	–	135,608,148.50
Asset impairment losses	(53,195,185.62)	(260,432,520.07)	–	(17,000,000.00)	(330,627,705.69)
Credit impairment losses	(8,776,983.44)	(49,004,048.70)	–	–	(57,781,032.14)
Depreciation and amortisation costs	2,380,258,325.96	238,686,413.46	18,199,687.38	–	2,637,144,426.80
Total (losses)/profits	(1,001,517,588.34)	341,975,451.38	(288,846,833.37)	(122,064,755.28)	(1,070,453,725.61)
Income tax expense	146,849,833.41	634,967,103.74	(72,211,708.35)	(30,516,188.82)	679,089,039.98
Total assets	116,334,740,728.94	176,933,755,503.60	717,041,422.87	(23,527,619,804.81)	270,457,917,850.60
Total liabilities	71,334,855,974.70	130,577,565,643.48	24,524,563,561.73	(49,703,690,159.29)	176,733,295,020.62
Long-term equity investment in joint ventures and associates	1,467,737,226.37	7,705,293,043.97	–	–	9,173,030,270.34
Increase in other non-current assets, excluding long-term equity investments	3,624,922,492.05	644,862,919.79	–	–	4,269,785,411.84

Geographical information

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
	RMB	*RMB*
	(Unaudited)	(Unaudited)
Operating revenue		
Asia	**45,557,393,152.19**	45,554,453,218.77
Africa	**8,321,928.90**	7,954,113.02
	45,565,715,081.09	45,562,407,331.79

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 2025 and from January to June 2024, no sales revenue from any one single customer of the Group accounted for more than 10% of the Group's operating revenue.

3. OPERATING REVENUE AND NON-OPERATING REVENUE

Unit: RMB

Operating revenue is presented as follows:

	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Operating revenue from principal business	**45,220,417,862.22**	45,209,615,420.19
Operating revenue from other business	**345,297,218.87**	352,791,911.60
	45,565,715,081.09	45,562,407,331.79

Operating revenue is presented as follows:

	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Revenue from contracts with customers	**44,453,324,933.08**	44,341,508,860.69
Rental income	**1,003,228,447.48**	1,013,645,284.38
Including: Rental income from investment properties	***849,337,373.52***	*865,661,381.12*
Other rental income	***153,891,073.96***	*147,983,903.26*
Interest income	**109,161,700.53**	207,253,186.72
	45,565,715,081.09	45,562,407,331.79

The disaggregated operating revenue is as follows:

Reportable segments	**For the six months ended 30 June 2025 (Unaudited)**	For the six months ended 30 June 2024 (Unaudited)
Types of goods		
Bulk commodity trade	23,776,462,910.70	17,126,527,015.73
Sale of products	14,437,594,170.88	14,766,672,347.28
Sale of properties	3,498,246,475.46	8,966,517,727.98
Income from decoration	1,203,574,911.84	1,314,330,648.58
Rental income	1,003,228,447.48	1,013,645,284.38
Property management	603,538,018.43	596,318,882.90
Treatment of solid wastes	364,803,431.16	451,233,352.77
Hotel operation	228,092,197.86	187,158,763.74
Interest income	109,161,700.53	207,253,186.72
Others	341,012,816.75	932,750,121.71
	45,565,715,081.09	45,562,407,331.79

Time of transfer of goods	**For the six months ended 30 June 2025 (Unaudited)**	For the six months ended 30 June 2024 (Unaudited)
At a point in time	**42,053,316,373.79**	41,792,467,212.70
Over time	**3,512,398,707.30**	3,769,940,119.09
	45,565,715,081.09	45,562,407,331.79

Non-operating revenue is presented as follows:

	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Unpayable amounts	**42,830,346.59**	18,276,216.92
Net income from fines	**18,432,342.28**	12,323,678.84
Gains on retirement of non-current assets	**9,990,337.97**	6,261,287.66
Relocation compensation/government grants	**1,205,647.98**	2,607,661.61
Others	**87,062,878.00**	60,262,625.93
	159,521,552.82	99,731,470.96

4. OPERATING COSTS AND NON-OPERATING EXPENSES

Unit: RMB

Operating costs are presented as follows:

	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Operating costs for principal business	**40,447,547,583.18**	40,876,995,156.80
Operating costs for other business	**162,694,715.33**	105,655,517.65
	40,610,242,298.51	40,982,650,674.45

The disaggregated operating costs is as follows:

Reportable segments	**For the six months ended 30 June 2025 (Unaudited)**	For the six months ended 30 June 2024 (Unaudited)
Types of goods		
Bulk commodity trade	**23,720,197,980.68**	17,030,772,959.46
Sale of products	**11,515,884,273.02**	12,867,869,942.42
Sale of properties	**3,246,722,958.64**	8,489,170,329.82
Income from decoration	**816,592,744.64**	931,583,807.21
Rental income	**103,859,625.40**	167,084,714.15
Property management	**461,450,156.90**	434,604,015.38
Treatment of solid wastes	**264,106,171.75**	328,395,675.48
Hotel operation	**140,731,290.77**	102,654,165.47
Others	**340,697,096.71**	630,515,065.06
	40,610,242,298.51	40,982,650,674.45

Time of transfer of goods	**For the six months ended 30 June 2025 (Unaudited)**	For the six months ended 30 June 2024 (Unaudited)
At a point in time	**38,823,502,309.05**	39,018,328,296.76
Over time	**1,786,739,989.46**	1,964,322,377.69
	40,610,242,298.51	40,982,650,674.45

Non-operating expenses are presented as follows:

	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Losses on retirement of non-current assets	**6,615,995.79**	5,024,059.46
Including: Losses on retirement of fixed assets	***6,615,995.79***	*5,024,059.46*
Expenses on compensation, penalties and fines	**29,702,149.15**	4,288,799.06
Other expenses	**16,653,509.14**	11,103,453.48
	52,971,654.08	20,416,312.00

5. SELLING EXPENSES

Unit: RMB

	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Employee remuneration	**547,873,663.07**	527,462,611.97
Agency intermediary fee	**196,742,247.43**	215,546,747.68
Office expenses	**174,614,737.10**	155,001,470.98
Advertisement fee	**128,359,401.99**	135,751,540.62
Lease fee	**49,046,652.56**	46,164,700.52
Transportation and travel expenses	**20,812,323.21**	17,086,811.03
Others	**18,859,480.38**	18,330,321.67
	1,136,308,505.74	1,115,344,204.47

6. ADMINISTRATIVE EXPENSES

Unit: RMB

	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Employee remuneration	**1,654,327,126.67**	1,557,258,851.80
Office expenses	**513,547,095.57**	500,775,553.50
Loss on shut down	**418,310,495.43**	512,788,743.91
Intermediary service fees	**115,981,597.76**	108,011,147.85
Lease fees	**90,535,597.39**	99,079,878.23
Sewage and afforestation fees	**19,076,523.36**	22,751,956.68
Others	**611,790,173.27**	578,384,530.94
	3,423,568,609.45	3,379,050,662.91

7. RESEARCH AND DEVELOPMENT EXPENSES

Unit: RMB

	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Employee remunerations	**201,499,531.40**	183,657,030.72
Material and equipment cost	**76,021,757.45**	67,583,775.58
Others	**79,144,162.95**	50,052,620.53
	356,665,451.80	301,293,426.83

8. FINANCE COSTS

Unit: RMB

	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Interest expenses	**1,908,694,741.87**	2,299,617,112.39
Less: Interest income	**(91,289,093.43)**	(85,847,026.05)
Less: Amount of interest capitalized	**(382,224,440.61)**	(641,578,661.19)
Exchange gains	**(6,166,317.88)**	(9,041,706.21)
Handling charges	**15,697,298.55**	13,841,369.25
Others	**13,029,164.00**	7,500,797.46
	1,457,741,352.50	1,584,491,885.65

Note: From January to June 2025, the amount of capitalised borrowing costs has been included in construction in progress of RMB2,315,186.80 (from January to June 2024: RMB1,372,822.43) and costs for properties under development of RMB379,909,253.81 (from January to June 2024: RMB640,205,838.76).

9. OTHER GAINS

Unit: RMB

	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)	Related to assets/gains
Refunds of VAT	**89,898,859.96**	74,957,400.80	Related to gains
Grants of sale of heat	**3,876,300.00**	3,347,400.00	Related to gains
Income from other subsidies	**216,969,348.39**	131,871,335.20	Related to assets/gains
	310,744,508.35	210,176,136.00	

10. INVESTMENT GAINS

Unit: RMB

	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Investment gains from disposal of long-term equity investments	**273,339,396.60**	4,629,121.77
Interest income from debt investments during the holding period	**26,451,839.88**	22,664,595.27
Investment gains from disposal of debt investments	**23,173,416.70**	4,819,320.31
Dividend income from investment in other equity instruments on hand during the holding period	**6,628,782.33**	277,041.51
Investment gains from financial assets at fair value through profit or loss during the holding period	**3,271,738.41**	–
(Losses)/gains from long-term equity investments under equity method	**(91,260,867.36)**	135,608,148.50
Others	**6,493,560.94**	21,789,630.58
	248,097,867.50	189,787,857.94

11. GAINS FROM CHANGES OF FAIR VALUE

Unit: RMB

	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Investment properties measured at fair value	**203,080,134.47**	176,969,394.58
Hedging business	**368,491.44**	(6,531,704.86)
Financial assets at fair value through profit or loss	**(18,601,258.10)**	39,617,954.36
	184,847,367.81	210,055,644.08

12. CREDIT IMPAIRMENT LOSSES

Unit: RMB

	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Reversal of/(Losses on) bad debt of other receivables	**2,700,628.14**	(25,567,018.16)
(Losses on)/Reversal of bad debt of bills receivable	**(109,192.21)**	3,172,489.77
(Losses on)/Reversal of bad debt of long-term receivables	**(1,963,780.04)**	11,393,356.22
Losses on bad debt of receivables	**(51,634,681.90)**	(46,779,859.97)
	(51,007,026.01)	(57,781,032.14)

13. ASSET IMPAIRMENT LOSSES

Unit: RMB

	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Reversal of/(Losses on) impairment of contract assets	**4,186,499.95**	(294,436.22)
Losses on decline in value of inventory	**(41,124,077.28)**	(311,415,953.47)
Losses on impairment of fixed assets	**(22,243,256.99)**	–
Losses on impairment of prepayments	**(3,336,317.68)**	(407,105.33)
Losses on impairment of goodwill	**–**	(17,000,000.00)
Others	**–**	(1,510,210.67)
	(62,517,152.00)	(330,627,705.69)

14. GAINS ON DISPOSAL OF ASSETS

Unit: RMB

	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Gains on disposal of intangible assets	**145,607,230.38**	923,326,313.49
Gains on disposal of fixed assets	**52,650,533.83**	75,441,744.47
Others	**6,725,183.74**	1,021,281.92
	204,982,947.95	999,789,339.88

15. INCOME TAX EXPENSES

Unit: RMB

	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Current income tax expenses	(295,441,645.30)	648,518,787.20
Deferred income tax expenses	873,930,726.27	30,570,252.78
	578,489,080.97	679,089,039.98

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

	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Total losses	**(1,330,375,089.49)**	(1,070,453,725.61)
Income tax expenses at the statutory tax rate	**(332,593,772.37)**	(267,613,431.40)
Effect of different tax rates applicable to subsidiaries	**(4,278,253.54)**	(9,343,292.15)
Effect of adjustments on the income tax of previous periods	**9,782,540.83**	8,320,844.15
Share of profits and losses of joint ventures and associates	**22,815,216.84**	(110,210,453.31)
Effect of income not subject to tax	**(6,367,196.98)**	(10,158,802.57)
Effect of non-deductible costs, expenses and losses	**7,760,579.92**	9,192,724.53
Effect of deductible temporary difference and deductible losses not recognized	**881,369,966.27**	1,058,901,450.73
Income tax expenses at the effective tax rate of the Group	**578,489,080.97**	679,089,039.98

16. LOSSES PER SHARE

The calculation of losses per share is as follows:

Unit: RMB

	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Losses		
Net loss for the period attributable to ordinary shareholders of the Company	**(1,495,582,382.78)**	(806,672,814.70)
Less: Interests on other equity instrument	**527,035,424.65**	526,101,336.11
Shares		
Weighted average number of outstanding ordinary shares of the Company	**10,677,771,134.00**	10,677,771,134.00
Basic losses per share – continuing operations	**(0.19)**	(0.12)

The calculation of the basic losses per share is based on the net loss 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.

As the Group recorded losses during the Reporting Period and considering that a potential dilution of ordinary shares would have an anti-dilutive effect, the diluted earnings per share shall not apply.

17. INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend in respect of the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

18. BILLS RECEIVABLE

Unit: RMB

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Bank acceptance bills	**161,356,782.39**	113,666,910.13
Commercial acceptance bills	**783,732,875.79**	713,601,985.78
Less: Provision for bad debts of bills receivable	**20,055,566.33**	19,946,374.12
	925,034,091.85	807,322,521.79

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

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Balance at the beginning of the period/year	**19,946,374.12**	27,123,603.53
Provision for the period/year	**2,625,597.27**	4,461,815.00
Reversal for the period/year	**(2,516,405.06)**	(10,960,393.95)
Other changes	**-**	(678,650.46)
Balance at the end of the period/year	**20,055,566.33**	19,946,374.12

19. ACCOUNTS RECEIVABLE

The credit period of accounts receivable is generally 1 to 6 months, and 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 customer and the date when the invoice is issued. An aging analysis of accounts receivable is as follows:

Unit: RMB

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Within 1 year	**10,035,197,838.98**	8,804,588,458.98
1 to 2 years	**1,880,835,165.97**	1,659,776,776.26
2 to 3 years	**852,595,534.22**	742,826,971.80
3 to 4 years	**351,150,757.13**	365,777,835.68
4 to 5 years	**228,252,242.94**	181,094,486.94
Over 5 years	**1,539,736,604.84**	1,500,012,573.94
	14,887,768,144.08	13,254,077,103.60
Less: Provision for bad debts of accounts receivable	**2,719,170,129.13**	2,666,635,696.36
	12,168,598,014.95	10,587,441,407.24

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

Unit: RMB

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Balance at the beginning of the period/year	**2,666,635,696.36**	2,859,818,742.38
Provision for the period/year	**68,488,203.95**	141,867,196.01
Business combinations not under common control	**899,750.87**	26,130,224.02
Reversal for the period/year	**(16,853,522.05)**	(322,438,335.02)
Write-off for the period/year	**–**	(1,226,624.82)
Transfer out upon disposal of subsidiaries	**–**	(37,515,506.21)
Balance at the end of the period/year	**2,719,170,129.13**	2,666,635,696.36

	As at 30 June 2025				
	Balance of carrying amount		Provision for bad debts		
	Amount	**Proportion (%)**	**Amount**	**Provision proportion (%)**	**Carrying value**
Separate provision for bad debts	**2,286,470,036.25**	**15.36**	**731,159,828.46**	**31.98**	**1,555,310,207.79**
Provision for bad debts by credit risk characteristics group	**12,601,298,107.83**	**84.64**	**1,988,010,300.67**	**15.78**	**10,613,287,807.16**
	14,887,768,144.08	**100.00**	**2,719,170,129.13**	**18.26**	**12,168,598,014.95**

	As at 31 December 2024				
	Balance of carrying amount		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision proportion (%)	Carrying value
Separate provision for bad debts	2,341,851,968.83	17.67	719,354,024.30	30.72	1,622,497,944.53
Provision for bad debts by credit risk characteristics group	10,912,225,134.77	82.33	1,947,281,672.06	17.84	8,964,943,462.71
	13,254,077,103.60	100.00	2,666,635,696.36	20.12	10,587,441,407.24

20. INVENTORIES

Unit: RMB

	30 June 2025		
	Balance of carrying amount	**Provision for decline in value/provision for impairment**	**Carrying value**
Raw materials	**1,974,143,349.04**	**17,571,187.83**	**1,956,572,161.21**
Items in production	**1,047,774,081.01**	**9,971,696.53**	**1,037,802,384.48**
Finished goods	**7,139,406,213.62**	**200,446,743.70**	**6,938,959,469.92**
Development costs	**38,214,616,544.42**	**1,191,093,626.45**	**37,023,522,917.97**
Products under development	**40,046,544,399.82**	**1,444,332,393.81**	**38,602,212,006.01**
Contract performance cost	**265,475,825.72**	**-**	**265,475,825.72**
Total	**88,687,960,413.63**	**2,863,415,648.32**	**85,824,544,765.31**

	31 December 2024		
	Balance of carrying amount	Provision for decline in value/provision for impairment	Carrying value
Raw materials	1,878,436,464.30	28,970,532.05	1,849,465,932.25
Items in production	1,212,871,366.33	13,082,549.01	1,199,788,817.32
Finished goods	6,787,583,902.29	262,294,211.76	6,525,289,690.53
Turnover materials	4,686,320.29	-	4,686,320.29
Development costs	40,973,522,020.72	1,465,928,637.01	39,507,593,383.71
Products under development	35,831,860,195.70	1,341,372,653.75	34,490,487,541.95
Contract performance cost	80,496,575.36	1,316,487.72	79,180,087.64
Total	86,769,456,844.99	3,112,965,071.30	83,656,491,773.69

The amortization amount recognized for contract performance costs during the period is RMB1,119,149,103.57. The carrying value at the end of the period is presented in inventory based on liquidity.

The movements in provision for decline in value of inventories and impairment of contract performance cost are as follows:

30 June 2025

	Balance at the beginning of the period	Provision for the period	Decrease during the period			Balance at the end of the period
			Reversal	Write-off	Other	
Raw materials	**28,970,532.05**	**–**	**(161,144.77)**	**(8,572,193.58)**	**(2,666,005.87)**	**17,571,187.83**
Items in production	**13,082,549.01**	**–**	**(1,006,809.37)**	**(2,104,043.11)**	**–**	**9,971,696.53**
Finished goods	**262,294,211.76**	**2,355,358.50**	**(1,560,637.17)**	**(62,255,305.84)**	**(386,883.55)**	**200,446,743.70**
Development costs	**1,465,928,637.01**	**–**	**–**	**–**	**(274,835,010.56)**	**1,191,093,626.45**
Products developed	**1,341,372,653.75**	**41,497,310.09**	**–**	**(207,292,244.79)**	**268,754,674.76**	**1,444,332,393.81**
Contract performance cost	**1,316,487.72**	**–**	**–**	**(1,316,487.72)**	**–**	**–**
Total	**3,112,965,071.30**	**43,852,668.59**	**(2,728,591.31)**	**(281,540,275.04)**	**(9,133,225.22)**	**2,863,415,648.32**

31 December 2024

	Balance at the beginning of the period	Provision for the year	Decrease during the period			Balance at the end of the period
			Reversal	Write-off	Other	
Raw materials	60,875,495.89	12,132,746.40	(206,872.26)	(43,830,837.98)	–	28,970,532.05
Items in production	74,118,103.18	16,121,662.25	–	(77,157,216.42)	–	13,082,549.01
Finished goods	185,909,471.68	158,894,382.49	(1,598,275.18)	(79,364,648.45)	(1,546,718.78)	262,294,211.76
Development costs	1,260,325,393.30	295,800,509.48	–	–	(90,197,265.77)	1,465,928,637.01
Products under development	1,116,631,333.01	457,484,226.72	–	(313,163,093.03)	80,420,187.05	1,341,372,653.75
Contract performance cost	–	1,316,487.72	–	–	–	1,316,487.72
Total	2,697,859,797.06	941,750,015.06	(1,805,147.44)	(513,515,795.88)	(11,323,797.50)	3,112,965,071.30

Due to the completion of the development project, the corresponding provision for decline in value of inventory of RMB274,835,010.56 is transferred from the development costs to the products under development. The corresponding provision for decline in value of inventory of RMB6,080,335.80 is transferred out due to the transferring of inventories into investment properties.

As at 30 June 2025, the balance of development costs included the capitalised borrowing costs of RMB2,381,602,420.55 (31 December 2024: RMB2,481,923,119.68). The capitalised borrowing costs amounted to RMB379,909,253.81 for the period from January to June 2025 (from January to June 2024: RMB640,205,838.76), and the rate of interest capitalisation was 2.79% (from January to June 2024: 3.54%).

21. SHORT-TERM LOANS

Unit: RMB

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Credit loans	**26,250,782,368.08**	24,297,398,062.05
Guaranteed loans *(Note)*	**3,381,500,000.00**	3,482,621,163.88
Mortgaged loans	**400,000,000.00**	410,187,940.53
Pledged loans	**83,889,429.61**	144,955,282.68
	30,116,171,797.69	28,335,162,449.14

Note: As at 30 June 2025 and 31 December 2024, the guaranteed loans were guaranteed by entities within the Group.

All the short-term loans would be due within one year. As at 30 June 2025 and 31 December 2024, the Group had no outstanding loans that were due.

22. BILLS PAYABLE

Unit: RMB

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Bank acceptance bills	**3,892,480,373.29**	1,986,042,605.54
Commercial acceptance bills	**955,668,482.54**	1,069,123,435.43
	4,848,148,855.83	3,055,166,040.97

As at 30 June 2025 and 31 December 2024, the Group had no due and outstanding bills payable.

23. ACCOUNTS PAYABLE

Accounts receivable are non-interest bearing and generally settled within 30 to 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 2025 (Unaudited)	As at 31 December 2024 (Audited)
Within 1 year (inclusive of 1 year)	**14,566,683,576.92**	16,755,683,271.11
1 to 2 years (inclusive of 2 years)	**1,827,802,088.02**	2,136,863,970.92
2 to 3 years (inclusive of 3 years)	**1,123,595,365.91**	952,615,068.78
Over 3 years	**1,789,281,038.28**	1,098,991,667.76
	19,307,362,069.13	20,944,153,978.57

24. SHORT-TERM FINANCING BONDS PAYABLE AND BONDS PAYABLE

Unit: RMB

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Short-term financing bonds payable	**5,048,592,876.71**	6,026,458,630.14
Corporate bonds	**15,594,837,123.15**	17,974,672,661.83
Medium-term notes	**6,595,131,598.29**	7,625,346,587.97
Total	**22,189,968,721.44**	25,600,019,249.80
Less: Bonds payable within one year	**3,850,790,022.54**	10,686,586,603.49
Non-current portion	**18,339,178,698.90**	14,913,432,646.31
Analysis of maturity of bonds payable:		
Within 1 year (inclusive of 1 year)	**3,850,790,022.54**	10,686,586,603.49
1 to 2 years (inclusive of 2 years)	**6,856,348,519.04**	4,423,989,151.49
2 to 5 years (inclusive of 5 years)	**6,985,929,191.92**	5,991,837,849.34
Over 5 years	**4,496,900,987.94**	4,497,605,645.48
	22,189,968,721.44	25,600,019,249.80

25. LONG-TERM LOANS

Unit: RMB

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Credit loans	**54,961,960,204.51**	47,639,505,206.84
Guaranteed loans *(Note)*	**8,294,438,745.77**	7,633,197,111.36
Mortgaged loans	**4,226,112,632.65**	4,707,628,026.72
Pledged loans	**500,000,000.00**	750,000,000.00
Subtotal	**67,982,511,582.93**	60,730,330,344.92
Less: Long-term loans due within one year	**17,512,522,243.18**	9,831,272,623.91
Total	**50,469,989,339.75**	50,899,057,721.01

Note: As at 30 June 2025 and 31 December 2024, 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 2025 (Unaudited)	As at 31 December 2024 (Audited)
Within 1 year	**17,512,522,243.18**	9,831,272,623.91
1 to 2 years	**22,228,670,307.70**	14,216,288,829.65
2 to 5 years	**23,821,623,350.69**	28,452,026,671.34
Over 5 years	**4,419,695,681.36**	8,230,742,220.02
	67,982,511,582.93	60,730,330,344.92

As at 30 June 2025, the interest rates of the above loans were 2.15%-5.65% (as at 31 December 2024: 1.20%-5.65%) per annum.

26. NET CURRENT ASSETS

Unit: RMB

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Current assets	**141,284,926,261.94**	133,195,464,924.72
Less: current liabilities	**101,040,125,791.32**	96,778,952,257.62
Net current assets	**40,244,800,470.62**	36,416,512,667.10

27. TOTAL ASSETS LESS CURRENT LIABILITIES

Unit: RMB

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Total assets	**272,135,854,578.45**	263,995,720,701.11
Less: current liabilities	**101,040,125,791.32**	96,778,952,257.62
Total assets less current liabilities	**171,095,728,787.13**	167,216,768,443.49

CHAIRMAN'S STATEMENT

Dear Shareholders,

In the first half of 2025, in the fact of a complex and changeable domestic and international environment and fierce and brutal competition, the Company thoroughly implemented the work requirements of the "One High, Double Win, Three Coordination" (一高雙贏三統籌), made every effort to stabilize growth, focus on innovation and prevent risks, and promoted the implementation of various tasks of "Breakthrough Year of High-quality Development". The economic operation showed a momentum of steady growth and making progress through innovation.

REVIEW

Results Performance

During the Reporting Period, the Company recorded an operating revenue of approximately RMB45,565.7 million, representing a year-on-year increase of approximately 0.01%; net loss attributable to the shareholders of the parent company amounted to approximately RMB1,495.6 million, as compared with net loss attributable to the shareholders of the parent company of approximately RMB806.7 million for the same period of last year, representing a year-on-year increase of approximately RMB688.9 million or 85.4%; basic losses per share attributable to the shareholders of the parent company amounted to approximately RMB0.19, representing an a year-on-year increase of approximately RMB0.07 million or 58.3% as compared with basic losses per share attributable to the shareholders of the parent company of approximately RMB0.12 for the same period of last year.

Business Performance

In the first half of 2025, the Company anchored the goals and worked earnestly to further improve the quality and efficiency of operation, achieved rapid and steady transformation and development to further optimize the industrial layout, and made breakthroughs in technical innovation and empowerment to further strengthen the development momentum. The Company also continued to improve management efficiency to further consolidate the foundation for development.

Modern green building materials segment: In terms of the cement business, the Company strengthened the lean operation and enhanced internal management to reduce costs and improve efficiency. In the first half of 2025, the cost per tonne of cement decreased by RMB19 on a year-on-year basis. The Company externally focused on industrial ecology to stabilize transaction volume and restore pricing levels, actively implemented "anti-involution competition", and promoted the self-discipline of the industry. The average price of cement clinker increased by RMB9 per tonne on a year-on-year basis, achieving significant decrease in loss. The production and sales volume of the concrete business increased by 23% year-on-year. Among them, the proportion of sales volume to strategic customers rose to 33%, achieving a doubled increase on a year-on-year basis. In terms of modern material business, the Company improved the integrated marketing mechanism, enriched the "products+solutions+services" system, and achieved a year-on-year increase of 5.8% in revenue from sales to strategic customers.

Property development and operation segment: In terms of the property development business, the Company adhered to the policy of "stabilizing profits, grasping cash and adjusting structure", and projects such as Beijing Yu · Xisong (北京隅・西頌) and Huaxi Yunjin (花溪雲錦) were selling well at launch. The Company deeply participated in the urban renewal and accelerated the revitalization of self-owned land. The first batch of 12 land plots of the self-owned land coordination project in Haidian District have been comprehensively launched and implemented. In terms of the property operation business, the Company adhered to maintaining commercial sales and promoting leases, and accelerated reducing vacant space. The quality of hotel and resort operation continued to improve, and the operating efficiency of science and technology cultural park constantly enhanced.

The Company continued to optimize the strategic layout, and enhanced its influence in core industries and core regions. In the first half of 2025, the Company's concrete production capacity increased by 9.23 million cubic meters, the land reserves increased by 60,000 square meters, and the Company newly added processing capacities of refined iron ore with an annual output of 1.8 million. The Company continuously increased investment in research and development, and the intensity of investment in research and development reached 3.6% in the first half of 2025. The Company vigorously developed modern materials industry, integrated the chain of research and development, achievements transformation and industrialization of new materials. The revenue from modern materials industry amounted to RMB4.08 billion, representing a year-on-year increase of 90%.

PROSPECT

From the perspective of macroeconomic situation, China's economy has a solid foundation, many advantages, strong resilience and great potential, and the supporting conditions and basic trends for its long-term improvement remain unchanged. From the perspective of the development trend of the industry, in the second half of 2025, the state will conduct comprehensive improvement of "anti-involution" competition and promote capacity governance in key industries through revising the Price Law with the times and accelerating the construction of a unified national market. China will promote the high-quality development of the cement industry and provide strong support for the recovery of building materials prices through the in-depth implementation of the Ministry of Industry and Information Technology's Implementation Measures for Capacity Replacement in the Cement and Glass Industries (2024 Edition) and the introduction of the Work Plan for Stabilizing Growth in the Building Materials Industry. In terms of real estate, with the clarification of the standards for "good houses", good houses have become one of the important symbols of the new development model of real estate. The Ministry of Housing and Urban-Rural Development is studying and promoting the theoretical basis and standard support for matching "good materials" with "good houses", which will bring new opportunities for the development of the Company's two main businesses. High-quality urban renewal also provides a clear direction for the development of the Company's real estate business. Additionally, with the enhanced effectiveness of supportive policies such as "Two Major" (implementation of major national strategies and building of security capacity in key areas), "Two New" (large-scale equipment renewals and trade-in of old consumer goods) and special bonds, the real estate industry is expected to gradually bottom out, and the demand for cement and building materials is expected to stop falling and stabilize.

In the second half of 2025, the Company will focus on various key tasks of the "Breakthrough Year of High-quality Development", adhering to unchanged goals, non-compromised standards and unwavering efforts. The Company will uphold the pragmatic spirit of taking "courage" as the lead and "action" as the forerunner, and ensure the comprehensive and high-quality achievement of the set goals for 2025.

Modern green building materials segment: In terms of the cement business, the Company will continue to tap into its potential, strive to reduce costs and improve efficiency, maintain the ecological order of the industry, actively promote stable output and price recovery, consolidate advantages in key engineering fields, expand the market promotion of new products and materials, stabilize existing business volume while exploring new growth, optimize the capacity structure, extend the "cement+" industrial chain, and enhance core competitiveness. In terms of the new materials business, the Company will adhere to strengthening innovation, expanding markets, adjusting structures and reducing costs, further increase the promotion of high-value-added products, and build differentiated competitive advantages.

Property segment: In terms of the property development business, the Company will expand both the breadth and depth of participation in the "Three Major Projects", flexibly adjust sales strategies to accelerate de-stocking, proactively grasp market trends, strengthen node management, ensure the high-quality construction and delivery of "good housing" projects, speed up the revitalization of self-owned land and fully advance all work related to the overall planning of self-owned land in Haidian District. In terms of the property operation business, the Company will seize development opportunities, intensify efforts to clear vacant areas, increase the occupancy rate of office buildings, commercial properties and science and technology parks, expand sales scenarios, optimize marketing strategies, and enhance the operational capabilities and business efficiency of cultural and creative parks as well as hotel and resort facilities.

In the second half of 2025, the Company will strengthen the role of science and technology as a driving engine, intensify efforts in tackling core technological challenges, promote in-depth integration of industry, academia, research and application, enhance the transformation efficiency of scientific and technological achievements, and increase the proportion of "innovation", "greenness" and "intelligence" in our development. The Company will vigorously advance the transformation of scientific and technological achievements in new materials and accelerate the creation of a "third growth pole".

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, and one of the largest suppliers of green, environmentally-friendly, and energy-saving building materials in Beijing-Tianjin-Hebei region. The Company is also 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 184 million tonnes; the production capacity of ready-mixed concrete exceeded 60 million cubic meters while the production capacity of aggregates exceeded 90 million tonnes and the production capacity of grinding aids and admixtures amounted to approximately 0.28 million tonnes, respectively. Its annual capacity for disposal of hazardous wastes and solid wastes exceeded 5 million tonnes (including construction waste). The building material products and construction installation services of the Company were broadly applied in the construction of key and popular projects such as Beijing's urban sub-center, Xiong'an New Area and the Winter Olympics Stadium and were extended to popular regions such as East China, Northwest China, Sichuan-Chongqing and South China, which fully demonstrated the strengths of BBMG's modern building materials business in brand, quality and industrial chain, and enhanced the systematic application and coordinated marketing of its products.

Equipment manufacturing and trading services business: The Company is capable to construct and provide service for the whole industrial chain in terms of new dry process cement production lines with a daily output of 12,000 tonnes. The products developed by the Company, such as high-efficiency vertical cement mill, co-disposal equipment of hazardous wastes and solid wastes via cement kiln, energy-saving electrical cabinet, automatic control and intelligent operation and maintenance system, heaving castings with piece weight of 10-150 tonnes and precision casting with piece weight of 0.01kg to 30kg, 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 40 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. At present, the Company has made its presence in 17 cities including Beijing, Shanghai, Tianjin, Chongqing, Hangzhou, Nanjing and Suzhou, 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 more than 2,500,000 sq.m. of investment properties such as high-end office buildings, commercial and industrial parks, of which approximately 725,000 sq.m. are grade B and above high-end investment properties in core areas in Beijing, and manages more than 19,000,000 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 2025, the operation of cement industry was characterized by "continuous weakened demand, price with a downward trend after rising and improved efficiency on a year-on-year basis". Affected by the profound real estate adjustments and the slowdown in the growth of national infrastructure investment, the lack of infrastructure capabilities and regional structural imbalance led to the cement industry facing continuous pressure. According to data from the National Bureau of Statistics of China, the production volume of cement in China reached 815 million tonnes in the first half of 2025, representing a year-on-year decrease of 4.3%, which narrowed by 5.7 percentage points as compared with the same period of last year.

In the first quarter of 2025, special bonds in the infrastructure field and other measures that produced effects early to support funding needs, promoting the recovery of the cement demand from infrastructure investment. The decline in demand narrowed compared to last year with an increase in average prices as compared with the same period and an improvement in the industry benefits. In the second quarter of 2025, due to less-than-expected demand during the traditional peak season, insufficient operation of downstream construction projects and mixing plants, continuous weak market demand and reduced enforcement of peak staggering by certain enterprises, prices continued to fall and the industry benefit was under pressure. From the perspective of profitability, the total profit of the cement industry in the first half of the year was significantly better than that of the same period of last year, mainly due to the decline in coal prices and periodic recovery of cement prices in the first quarter.

2. Property Development Industry

In the first half of 2025, the property industry continued to develop with a trend of reversing the downturn and restoring stability. Property sales remained basically stable, and both the sales area and amount of new houses maintained stable year-on-year; the decline in prices of newly-built commercial residential properties on a year-on-year basis continued to narrow; and the area of commodity housing for sales decreased for three consecutive months.

According to the National Bureau of Statistics of China, from January to June 2025, the investment in real estate development in China was RMB4,665.8 billion, representing a year-on-year decrease of 11.2%, among which, the residential property investment was RMB3,577.0 billion, representing a decrease of 10.4%. The area of newly commenced construction of real estates was 303.64 million sq.m., representing a decrease of 20.0%. Among them, the area of newly commenced construction of residential properties was 222.88 million sq.m., representing a decrease of 19.6%. The area of completed real estate was 225.67 million sq.m., representing a decrease of 14.8%. Of this, the area of completed residential properties was 162.66 million sq.m., representing a decrease of 15.5%. From January to June, the sales area of newly-built commodity housing was 458.51 million sq.m., representing a year-on-year decrease of 3.5%. Specifically, the sales area of residential properties decreased by 3.7%. The sales amount of newly-built commodity housing amounted to RMB4,424.1 billion, representing a decrease of 5.5%. Of this, the sales amount of residential properties decreased by 5.2%. As at the end of June 2025, the area of commodity housing for sales was 769.48 million sq.m., representing a decrease of 4.79 million sq.m. as compared with the end of May 2025. In particular, the area of residential properties for sales decreased by 4.43 million sq.m.

Summary of Financial Information

Unit: RMB'000

	For the six months ended 30 June		
	2025	2024	Change
	(Unaudited)	(Unaudited)	
Operating revenue	**45,565,715**	45,562,407	**0.01%**
Operating revenue from principal business	**45,220,418**	45,209,615	**0.02%**
Gross profit from principal business	**4,772,870**	4,332,620	**10.2%**
Gross profit margin from principal business (%)	**10.6**	9.6	**an increase of 1.0 percentage points**
Total loss	**(1,330,375)**	(1,070,454)	**24.3%**
Net loss	**(1,908,864)**	(1,749,543)	**9.1%**
Net loss attributable to the shareholders of the parent company	**(1,495,582)**	(806,673)	**85.4%**
Basic losses per share attributable to the shareholders of the parent company (net of the interests of other equity instrument)	**RMB(0.19)**	RMB(0.12)	**58.3%**

	As at 30 June 2025	As at 31 December 2024	Change
	(Unaudited)	(Audited)	
Cash and bank balances	**18,898,560**	18,292,078	**3.3%**
Current assets	**141,284,926**	133,195,465	**6.1%**
Current liabilities	**101,040,126**	96,778,952	**4.4%**
Net current assets	**40,244,800**	36,416,513	**10.5%**
Non-current assets	**130,850,928**	130,800,256	**0.04%**
Non-current liabilities	**80,035,424**	75,099,447	**6.6%**
Total assets	**272,135,855**	263,995,721	**3.1%**
Equity attributable to the shareholders of the parent company	**72,522,293**	73,717,500	**-1.6%**
Debt ratio (total liabilities to total assets) (%)	**66.5**	65.1	**an increase of 1.4 percentage points**

Summary of Business Information

	For the six months ended 30 June 2025	2024	Change
Modern green building materials segment			
Aggregate sales volume of cement and clinker (in million tonnes)	**37.38**	38.18	**-2.1%**
Sales volume of ready-mixed concrete (in million cubic metres)	**7.27**	5.38	**35.1%**
Property development and operation segment			
Booked gross-floor area ("**GFA**") (in thousand sq.m.)	**263.6**	388.4	**-32.1%**
Contracted sales GFA (in thousand sq.m.)	**328.2**	294.4	**11.5%**
GFA of investment properties (in thousand sq.m.)	**2,653.6**	2,621.7#	**1.2%**

GFA of investment properties as of 31 December 2024

DISCUSSION AND ANALYSIS ON OPERATIONS

In the first half of 2025, the Company thoroughly implemented the work requirements of the "One High, Double Win, Three Coordination" (一高雙贏三統籌), made every effort to stabilize growth, focus on innovation and prevent risks, and promoted the implementation of various tasks of "Breakthrough Year of High-quality Development". The economic operation of the Company showed a momentum of steady growth with improved quality as a whole.

During the Reporting Period, the Group recorded an operating revenue of approximately RMB45,565.7 million, of which operating revenue from its principal business amounted to approximately RMB45,220.4 million, representing a year-on-year increase of approximately 0.02%; total loss amounted to approximately RMB1,330.4 million, increased by approximately RMB259.9 million or 24.3% as compared with the same period of last year; net loss amounted to approximately RMB1,908.9 million, increased by approximately RMB159.4 million or 9.1% as compared with the same period of last year; and net loss attributable to the parent company amounted to approximately RMB1,495.6 million, increased by approximately RMB688.9 million or 85.4% as compared with the same period of last year.

(I) Modern green building materials segment

In the first half of 2025, the revenue from principal business amounted to approximately RMB40,489.0 million, representing a year-on-year increase of approximately 14.8%; gross profit from principal business amounted to approximately RMB3,620.9 million, representing a year-on-year increase of approximately 26.1%.

In terms of the cement business, the Company strengthened lean operation and launched a special action of "further reducing and controlling costs and further improving efficacy and efficiency". The Company accelerated the construction of an internal unified big market, improved the market control ability, optimized the market layout and the product structure, seized the value highland, jointly promoted accurate peak shifting, rigid peak shifting and linkage peak shifting, dynamically adjusted the marketing strategy, and promoted the rational return of prices. The sales volume of cement and clinkers amounted to 37.38 million tonnes (exclusive joint ventures and associates), representing a year-on-year decrease of 2.1%, of which the sales volume of cement amounted to 32.46 million tonnes, and the sales volume of clinker amounted to 4.92 million tonnes. The aggregated gross profit margin of cement and clinker was 20.7%, representing a year-on-year increase of 10.3 percentage points as compared with the gross profit margin of 10.4% for the same period of last year.

In terms of the concrete business, the Company implemented the main line of "seeking development, grabbing sales, emphasizing innovation, controlling risks, eliminating overdue and reducing costs", accelerated the implementation of industrial layout, and newly acquired, leased and consigned the processing of 10 sites in Hebei, Shaanxi, Jilin, Tianjin and Chongqing, with an additional production capacity of more than 9.23 million cubic meters. The sales volume amounted to 7.27 million cubic meters, representing a year-on-year increase of 35.1%. The gross profit margin of concrete was 9.2%, representing a year-on-year decrease of 0.6 percentage point.

In terms of the modern materials business, the Company improved the integrated marketing mechanism, enriched the "products+solutions+services" system, applied and implemented such system in high value-added sub-sectors such as petrochemical industry and new infrastructure, actively explored overseas markets and expanded overseas export business. The Company recorded the revenue from its principal business of approximately RMB6,600 million, representing a year-on-year increase of approximately 6.1%, and the gross profit margin was approximately 15%, representing a year-on-year increase of approximately 1.3 percentage points.

(II) Property development and operation segment

In the first half of 2025, the Company recorded revenue from its principal business of approximately RMB5,227.4 million, representing a year-on-year decrease of approximately 51.4%, and the gross profit from its principal business was approximately RMB1,177.9 million, representing a year-on-year decrease of approximately 25.9%.

In terms of the property development business, the Company adhered to the policy of "stabilizing profits, grasping cash and adjusting structure", and projects such as Yu · Xisong (隅•西頌), Huaxi Yunjin (花溪雲錦) and Wangjing Yunshang (望京雲尚) were selling well at launch. The Company implemented the sales and de-stocking policy of "One City, One Policy" and "One Project, One Policy", and the sales area of de-stocking reached 328,200 square meters, representing a year-on-year increase of approximately 11.5%. During the Reporting Period, the Group recorded the business revenue of approximately RMB3,660.0 million, representing a year-on-year decrease of approximately 58.5%. The booked GFA was approximately 264,000 sq.m., representing a year-on-year decrease of approximately 32.0%. The contracted sales amounted to approximately RMB6,820.0 million, representing a year-on-year increase of approximately 29.0%. The cash receipts amounted to approximately RMB6,493.0 million, representing a year-on-year increase of approximately 13.0%. As of 30 June 2025, the land reserve area of the Company on the equity basis was approximately 5,635,000 sq.m..

In the first half of 2025, the Company acquired the land use right of one parcel of state-owned construction land. The details are as follows:

No.	Name of project (parcel of land)	Location	Use of land	Land area of the project (m^2)	Planned plot ratio area (m^2)	Land price (RMB million)	Method of acquisition	Date of Acquisition (yy-mm-dd)	Percentage of ownership
1	Plot HD00-1412-0017 of Shantytown renovation balanced fund plot (phase II) project in Baoshan Village, Haidian District, Beijing	Baoshan cluster, Sijiqing sector, Haidian District	Residence	28,592.77	60,044.82	3,364.0	Listing	2025.06.05	100%
Total (equity)				28,592.77	60,044.82	3,364.0			

In terms of the property operation business, the Company adhered to maintaining commercial sales and promoting leases, and accelerated reducing vacant space. The quality of hotel and resort operation continued to improve, and the operating efficiency of science and technology cultural park constantly raised. The Company successfully won the bid for property service project of phase I of the National Information Technology Application Innovation Industrial Park (國家信創園), with an increase of 635,000 sq.m. in the area under management, and Beijing Center of The University of Hong Kong has successfully settled in Yucheng Building. As at 30 June 2025, the Company held 2,654,000 sq.m. of investment properties such as high-end office buildings, commercial and industrial parks, with a consolidated average occupancy rate of 77% (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 725,000 sq.m., with a consolidated average occupancy rate of 85% and a consolidated average rental unit price of RMB8.5/sq.m./day.

RENTAL OPERATIONS OF THE MAJOR INVESTMENT PROPERTIES OF THE GROUP AS AT 30 JUNE 2025

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	3,939.1	9.3	78%	36,473	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	4,594.2	9.1	96%	32,583	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	1,435.0	8.1	92%	25,175	2058
Tengda Plaza	West Second Ring Road, Beijing	No. 169, Xizhimenwai Street, Haidian District, Beijing	Commercial	68.0	2,099.0	8.3	82%	30,868	2045
Jin Yu Building Tower A	West Second Ring Road, Beijing	No. 129, Xuanwumen West Street, Xicheng District, Beijing	Commercial	41.0	1,629.0	10.4	83%	39,732	2058
Jin Yu Building Tower B	West Second Ring Road, Beijing	No. 129, Xuanwumen West Street, Xicheng District, Beijing	Commercial	41.0	1,585.6	10.3	77%	38,673	2052
Jianda Building	East Second Ring Road, Beijing	No. 14, Dongtucheng Road, Chaoyang District, Beijing	Commercial	39.3	668.0	6.3	83%	16,993	Notes 2, 3
Huan Bohai Golden Shore Shopping Mall	Hexi District, Tianjin	No. 473, Jiefang South Road, Hexi District, Tianjin	Commercial	622.6	5,248.6	1.5	83%	8,430	2060
Yucheng Building	North Fourth Ring Road, Beijing	No. 27, North Fourth Ring Middle Road, Asian Sports Village Street, Chaoyang District, Beijing	Commercial	137.0	5,659.4	9.3	35%	41,310	2056
Phase 1 of Hi-tech Industrial Park	South Sixth Ring Road, Beijing	No. 3 Courtyard, Qingxiang North Road, Daxing District, Beijing	Commercial	122.0	1,117.3	2.2	96%	9,158	2058
Phase 2 of Hi-tech Industrial Park	North Sixth Ring Road, Beijing	No. 1 Courtyard, Qingxiang North Road, Daxing District, Beijing	Commercial	101.0	560.0	2.2	46%	5,545	2058
Subtotal				1,477.9	28,535.2				
Other properties (Beijing, urban area of Tianjin, etc.)				1,175.7	17,607.1				
Total				2,653.6	46,142.3	4.1	77%	17,389	

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	40,489.0	36,868.1	8.9	14.8	13.8	Increase of approximately 0.8 percentage point
Property development and operation segment	5,227.4	4,049.5	22.5	-51.4	-55.8	Increase of approximately 7.7 percentage points
Eliminations	(496.0)	(470.0)				
Total	45,220.4	40,447.5	10.6	0.02	-1.1	Increase of approximately 1.0 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 of Beijing, Tianjin, Shanghai, Hefei, Chengdu and other cities 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 increase of approximately RMB26.1 million or 14.8% to approximately RMB203.1 million.

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

(1) Tax and surcharges were approximately RMB853.3 million, representing a year-on-year increase of approximately RMB282.5 million or 49.5%. Such increase was mainly due to the settlement of land appreciation tax for property projects of the Company during the Reporting Period.

(2) Selling expenses were approximately RMB1,136.3 million, representing a year-on-year inecrease of approximately RMB20.96 million or 1.9%.

(3) Administrative expenses were approximately RMB3,423.6 million, representing a year-on-year increase of approximately RMB44.52 million or 1.3%.

(4) Other gains were approximately RMB310.7 million, representing a year-on-year increase of approximately RMB100.6 million or 47.9%. Such increase was mainly due to the year-on-year increase in recognized refunds of VAT and government subsidies related to assets involved the listing of REITs of the Company which were included in other gains one-off during the Reporting Period.

(5) Investment gains were approximately RMB248.1 million, representing a year-on-year increase of approximately RMB58.3 million or 30.7%. Such increase was mainly due to the recognition of investment gains from the listing of REITs of the Company during the Reporting Period.

(6) Asset impairment losses were approximately RMB62.5 million, representing a year-on-year decrease of approximately RMB268.1 million or 81.1%. Such decrease was mainly due to the year-on-year decrease in inventory impairment of property projects of the Company during the Reporting Period.

(7) Gains on disposal of assets were approximately RMB205.0 million, representing a year-on-year decrease of approximately RMB794.8 million or 79.5%. Such decrease was mainly due to the year-on-year decrease in gains on land acquisition and reserve recognized by the Company during the Reporting Period.

(8) Non-operating income was approximately RMB159.5 million, representing a year-on-year increase of approximately RMB59.8 million or 60.0%. Such increase was mainly due to the year-on-year increase in gains from emission rights trading of the Company during the Reporting Period.

(9) Non-operating expenses were approximately RMB53.0 million, representing a year-on-year increase of approximately RMB32.6 million or 159.5%. Such increase was mainly due to the year-on-year increase in expenditures on non-operating projects of the Company during the Reporting Period.

4. Cash flows

In the first half of 2025, a net increase of approximately RMB1,263.6 million in cash and cash equivalents was recognised in the consolidated financial statements of the Group, of which net cash outflow from operating activities was approximately RMB1,537.8 million, representing a year-on-year decrease of approximately RMB2,632.3 million in outflow, which was mainly due to the increase in collection of revenue from cement, modern materials and other businesses of the Company during the Reporting Period; net cash outflow from investing activities was approximately RMB2,652.2 million, representing a year-on-year increase of approximately RMB770.3 million in outflow, which was mainly due to the year-on-year increase in amount paid by the Company for acquisition of the subsidiary during the Reporting Period; net cash inflow generated from financing activities was approximately RMB5,462.0 million, representing a year-on-year increase in cash inflows of approximately RMB1,294.7 million; and the effect of changes in exchange rate on cash and cash equivalents was approximately RMB8.4 million.

5. Analysis on items of assets and liabilities

(1) Financial assets held for trading increased by approximately 48.0% from the beginning of the Reporting Period, mainly due to the increase in investments in bond fund, monetary fund and shares held for trading by the Company during the Reporting Period.

(2) Non-current assets due within one year increased by approximately 133.6% from the beginning of the Reporting Period, mainly due to the increase in the Company's debt investment due within one year during the Reporting Period.

(3) Debt investment decreased by approximately 48.4% from the beginning of the Reporting Period, mainly due to the increase in the Company's debt investments due within one year, which were classified into non-current assets due within one year, during the Reporting Period.

(4) Bills receivable increased by approximately 58.7% from the beginning of the Reporting Period, mainly due to the increase in bills settlement adopted of the cement, modern materials and other businesses of the Company during the Reporting Period.

(5) Long-term payables increased by approximately 68.9% from the beginning of the Reporting Period, mainly due to the payment by installments for new mine reserves of the Company according to the contract during the Reporting Period.

(6) Other non-current liabilities increased by approximately 100.0% from the beginning of the Reporting Period, mainly due to the impact of successful issuance of CMBS during the Reporting Period.

CORE COMPETITIVENESS ANALYSIS

The Company served the development of the capital in the new era, served the construction of "four centers" of Beijing, and improved the level of "four services" to make dedicated efforts in the development of core areas of the capital in the new era and demonstrate the value of state-owned enterprises in the capital. The Company adhered to the two core major businesses of "manufacturing, trading and serving of modern green and environmentally-friendly building materials, and real estate", continued to strengthen and expand "large building materials" and "large real estate", and fostered and developed the high-end equipment manufacturing industry and new commerce and trade service industry. Combining connotative development with outward expansion, the Company managed effective integration of internal and external resources centering on industrial chain coordination, and the C-side strategy has achieved phased results. The Company is built to be an eco-oriented enterprise, with strengthened stability of industrial chain and supply chain to promote comprehensive and synergistic industrial development.

The core competitiveness of the Company is detailed as follows:

(I) 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 stage and new consumer needs. The Company accelerated horizontal integration of similar businesses and vertical integration of upstream and downstream of the industrial chain, solidly and detailedly implemented the "chain leader system" working mechanism, promoted outward expansion with the integration of external market resources, built a BBMG industrial ecology based on the core industrial chain, vigorously cultivated industrial development clusters, and accelerated the construction of a modern industrial system with BBMG's characteristics. BBMG was empowered with digital intelligence, and accelerated the transformation of manufacturing industry to service-oriented manufacturing. The Company formed the plan of the whole industrial chain of design, manufacturing, trade, construction, operation and maintenance, and service, manifesting BBMG's unique value advantage of the whole industrial chain and advantage of all-round core competitiveness. In combination with the market situation, the Company intensified the development of civil industry, seized the entrance of traffic, and promoted the industrial transformation and upgrading. The one-stop whole house decoration service represented by Tiantan decoration won the trust and praise of consumers, realizing the deep integration of advanced manufacturing industry and modern service industry.

(II) Competitive edge in science and technology innovation engine

The Company formulated, issued and implemented the Opinions on Further Accelerating the Development of the Group's New Materials Industry, focused on the goal of "upgrading one generation, researching and developing one generation and reserving one generation", and promoted the development of the new materials industry in a layered and step-by-step manner. The Company systematically advanced the "Three-year Action Plan for Technological Innovation (2024-2026)", and enhanced the integration and innovation of technology and industry. The Company successfully convened the first meeting of the National Key Laboratory Council, and established the first batch of "self-reliance" research topics of the National Key Laboratory. The Company passed the mid-term evaluation of the original technology source areas of the SASAC with high quality. The Company accelerated the revitalization of "dormant" scientific and technological achievements, sorted out and formed 75 "revitalization lists" in four categories and strengthened supervision. The Company applied for 257 patents, including 90 invention patents; the affiliated enterprise won 5 provincial and ministerial science and technology awards; the Company obtained 14 software copyrights, and added four provincial-level "technologically advanced" enterprises, two national-level high-tech enterprises, and 1 provincial-level enterprise leading an individual field of the manufacturing industry.

(III) Competitive edge in green and sustainable development

The Company adhered to strategic guidance, formulated and issued the Group's Implementation Plan for Green and Low-carbon Transformation in 2025, and promoted the full implementation of various measures. The Company strengthened the management of carbon emission rights, and realized the full coverage of the "carbon neutrality and carbon emission peaking" information management platform in cement enterprises. For investment properties, the Group adopted a new carbon quota custody model of "carbon asset custody + repurchase" for the first time to ensure the stable appreciation of carbon quotas. The Company improved the level of energy management, the fuel substitution rate of Jidong Cement reached 11.71%, and the clinker production capacity with unit energy consumption reaching the benchmark level accounted for 57.56%. 9 new photovoltaic power generation projects were put into operation with an additional installed capacity of 60.66MW, and 27 grid-connected photovoltaic projects completed the "registration and filing". The Mine Ecological Restoration Project of BBMG Xingfa Science and Technology Park was selected as a typical case of the first ecological restoration of national land and space in Beijing in the new era.

(IV) Competitive edge in industry-finance integration

The industry-finance integration supports and promotes the development of various main businesses of the Company. The Company enhanced its comprehensive strategic cooperation with key financial institutions, continuously innovated financing methods, controlled and reduced the scale of the Company's financing, expanded financing channels, reduced financing costs, ensured the Company's credit adequacy and effectively controlled and reduced the cost of capital usage. The accumulative weighted financing cost of the Company was 2.84%. The Company successfully issued the bonds of RMB11.657 billion, of which the successful launch of the Ping'an-BBMG Shanyuejiayuan Public Rental Housing CMBS Project set a record for the largest scale of CMBS of public rental housing of state-owned enterprise in Beijing. BBMG Finance Co., Ltd. (北京金隅財務有限公司) and BBMG Finance Lease Co., Ltd. (金隅融資租賃有限公司), subsidiaries of the Company, 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 actively implemented the policy of tax reduction and fee reduction, and strove for various fiscal and tax concessions of more than RMB300 million. The Company's issuer credit rating remained AAA, the financing channels were smooth in supporting the development of the main business, and the capital structure was optimized.

(V) Competitive edge in corporate culture and branding

The core value of BBMG's corporate culture is based on 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 of "three emphasis and one endeavor". We united our minds and efforts and forged ahead to carry forward culture and brand value. The Company followed the instructions of Xi Jinping, general secretary of the Chinese Central Committee of the Communist Party of China, on the building of world-class enterprises with outstanding products and brands, leading innovation and modern governance, facilitated full implementation of the Group's C-side brand strategies and promoted brand upgrading, demonstrating "BBMG" Brand power. "BBMG" Brand has been consecutively honored as a well-known trademark in Beijing. The Company ranked 64th in the list of 2025 (22nd) "China's 500 Most Valuable Brands" with a value of RMB136.951 billion. Liu Gengsheng of Beijing Longshuncheng Chinese Style Furniture Co., Ltd. (北京市龍順成中式傢俱有限公司) and Feng Yuehui of Liaoyang Jidong Cement Co., Ltd. (遼陽冀東水泥有限公司) were awarded the honor of national model workers, 13 employees of BBMG, including Wang Mingchang, were awarded the titles of model workers and Labor Day Medal at or above the provincial (ministerial) level respectively, and four collectives, including Dahongmen (Beijing) Construction Development Co., Ltd. (大紅門(北京)建設發展有限公司), were awarded the titles of worker pioneer and advanced collective at or above the provincial (ministerial) level. New breakthroughs were made in the quantity and quality of model workers' selection. Good brand awareness and reputation have shaped a good cultural atmosphere and provided intellectual support for creating a new situation of BBMG's high-quality development.

POSSIBLE RISKS FACED BY THE COMPANY

1. External environment risk

China's development environment is undergoing profound and complex changes, with strategic opportunities and risk challenges coexisting and an increase in uncertainties and unpredictable factors. From the perspective of the international situation, the strategic game between China and the United States continues to deepen, the anti-globalization trends intensify, the reconstruction of global supply chain accelerates, and geopolitical conflicts occur frequently, leading to an increase in cross-border trade compliance costs for companies, intensified fluctuations in export orders, and higher political risk reviews for overseas investments. From the perspective of domestic development, the new urbanization construction has entered the stage of stock renewal, and the business model of enterprises is facing the challenge of deep transformation. At the same time, the negative growth trend of domestic population appears, and the problems of aging and declining birthrate accelerate, leading to the continuous decline in the overall demand of building materials, real estate and other industries. In the field of consumption, consumers' consumption habits are evolving towards rationality, individualization and one-stop. Consumption upgrading drives structural changes, and the demand for green, intelligent and aging-friendly products rises, driving the growth of high-tech building materials, aging-friendly parts and other sub-categories against the trend.

Responses: China's economy has great development resilience and potential, and China will remain on a positive trajectory over the long run. With regard to the prevailing market conditions, the Company will adhere to the organic combination of scientific and technological innovation, business model innovation as well as system and institutional innovation, accelerate the transformation and upgrading of traditional industries and the layout of new industries, foster new quality productive forces, build a modern industrial system with BBMG's characteristics and achieve high-quality development. With a focus on China's four city clusters, major strategic supporting areas and overseas countries and regions involved in the Belt and Road Initiative, the Company will develop civilian industries, urban renewal and other related fields.

2. Policy risk

In February 2025, the Guiding Opinions on Further Strengthening Environmental Governance of Hazardous Wastes and Strictly Preventing and Controlling Environmental Risks issued by the Ministry of Ecology and Environment proposes that the whole process information supervision of the key monitored units for hazardous wastes will be fully covered by 2026, the relevant units will be basically fully covered and the proportion of landfill disposal will decrease steadily by 2027, the proportion will be controlled within 10% by 2030, and risks will be effectively prevented and controlled. In March, the Work Plan of National Carbon Emissions Trading Market Covering Steel, Cement and Aluminum Smelting Industries issued by the Ministry of Ecology and Environment clarifies that the cement industry will be included in the carbon emissions trading market by two stages, namely the initiation and implementation from 2024 to 2026 and deepening and improvement since 2027, the quota allocation method is stipulated, the scope of management and control is direct carbon dioxide emissions, and the key emission units are those that directly emit 26,000 tons of carbon dioxide equivalent per year. In June, the Opinions on Further Strengthening the Management of Urban Construction Waste issued by the Ministry of Housing and Urban-Rural Development requires that the construction waste management system should be improved in 2027 to curb illegal dumping, and the average resource utilization rate of construction waste in cities at prefecture level and above will exceed 50%. In addition, the principle of source management and classified treatment was put forward.

Responses: The Company will vigorously promote a steady decline in the proportion of landfill disposal of hazardous wastes, which will bring business increment for the collaborative disposal of cement kilns. Enterprises related to the collaborative disposal of cement kilns shall seize policy opportunities, give full play to their own advantages, and strive to increase the volume and revenue. With the implementation of the policy of the Work Plan of National Carbon Emissions Trading Market Covering Steel, Cement and Aluminum Smelting Industries, opportunities and challenges coexist for cement enterprises that are included in the carbon market. In the future, enterprises with significant energy saving and emission reduction effects will stand to great benefits, while enterprises with higher energy consumption and carbon emissions will face higher cost pressure. Cement enterprises shall improve the level of scientific and technological innovation through technological transformation, and reduce carbon emissions on the one hand and reduce comprehensive energy consumption and thus reduce production costs on the other hand, so as to constantly promote enterprises to develop in a green, sustainable and high-quality direction. With the increasing utilization rate of construction waste used for recycled aggregate, recycled building materials, road materials and other resources, it will have an impact on the Company’s existing share in the aggregate market. Aggregate production enterprises shall scientifically formulate production plans by fully investigating market demand, pay attention to product quality and services, firmly establish brand awareness, and continuously expand their market shares.

3. Risk of capital operation

In the first half of 2025, on the basis of maintaining a steady orientation, the monetary policy further demonstrated the policy orientation of flexible dynamics and targeted support. Relying on the toolbox of diversified policies, the People's Bank of China continued to carry out countercyclical adjustment with the focus of the policy further anchoring the downward guidance of financing costs and the optimization of credit structure, focused on strengthening financial support for the construction of "Three Major Projects" of scientific and technological innovation, green development, inclusive small and micro enterprise and government-subsidized housing, and consolidated the foundation of economic recovery by cultivating new quality productive forces through directional regulation. However, macro economy still faced multiple challenges. Although the growth rate of macro leverage ratio slowed down marginally, its absolute level was still at a high level.

Responses: The Company will broaden financing channels, promote low-cost financing, actively explore green, carbon neutrality and carbon emission peaking, scientific and technological innovation projects and qualifications that are in line with national preferential policies, actively connect with financial institutions, and strive for preferential support such as green credit and scientific and technological loans. The Company will strengthen the whole process control, promote the special action of reduction of "accounts receivable and inventory", and accelerate inventory turnover and collection of accounts receivable. The Company will focus on the goal of reducing leverage, implement two-dimensional control of "debt scale and asset-liability ratio", improve the early warning mechanism of debt risk, and ensure that the asset-liability ratio is maintained within a reasonable range. Relying on the Group's high-quality stock assets, the Company will promote the issuance of asset securitization products, optimize the debt structure of the Company and improve the efficiency of asset operation, providing a solid guarantee for the operation of overall funds. The Company will give full play to the fund co-ordination ability of the finance company and the asset revitalization advantage of the financial leasing company and accurately adjust the debt maturity and cost structure, providing efficient support for the Company's operation of funds.

4. Market competition risk

In the first half of 2025, under the influence of the new policy of the Implementation Measures for Capacity Replacement in the Cement and Glass Industries (2024 Edition), cement enterprises will accelerate the capacity replacement, accelerate the completion of capacity indicators and continuously improve their comprehensive strength in 2025. In the first half of 2025, the demand for cement increased to some extent due to the investment in the infrastructure , but the overall demand for cement was still less than the demand for cement in the same period due to the continued downturn in real estate. In the first quarter of 2025, the national cement price continued to be at a higher price at the end of 2024, and began to decline in April. In the second quarter, the national cement price showed a fluctuating downward trend. In the first half of the year, the growth rate of investment in the real estate industry continued to decline, and the pressure to sell the inventories in the industry remained relatively substantial. The overall market has changed from the "peak era" to the "quality era", requiring that products and services shall have higher quality. Since May, the Project Code for Residential Building, the national standard of Chinese "good houses", has officially come into effect, marking that residential products have entered a new stage of high-quality development.

Responses: For the cement business, the Company will research the advantage and weakness of production capacity of different regions in a coordinated manner, make scientific planning, accelerate the implementation of capacity replacement, and give full play to competitive advantages of production capacity. The Company will lay a solid foundation for market competition through whole-process lean operation and refined cost management and control, and develop differentiated competitive strengths by means of product innovation, service optimization and brand building. The Company will adapt to situation changes by improving the market, strengthening the brand, innovating models and building a capable team. Besides, the Company will strive to achieve cost reduction and efficiency improvement with digital intelligent transformation and the application of green technologies. For the real estate business, the Company shall make full use of favorable policies, accelerate inventory de-stocking, continuously strengthen market research and judegement, flexibly adjust sales strategies and strengthen the contract signing and payment collection work. The Company shall actively participate in the construction of government-subsidized housing, urban renewal and renovation of villages in cities, accelerate the revitalization of self-owned land, develop and build more "good houses", accelerate the improvement of commercial operation ability and form a stable profit-increasing pipeline. The Company shall vigorously improve the quality of comprehensive services and build a new model of real estate development.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the Group's total assets amounted to approximately RMB272,135.9 million, representing an increase of approximately 3.1% from the beginning of the Reporting Period, which comprised total liabilities of approximately RMB181,075.5 million, minority interests of approximately RMB18,538.0 million and total equity attributable to the shareholders of the parent company of approximately RMB72,522.3 million. As at 30 June 2025, total shareholders' equity amounted to approximately RMB91,060.3 million, representing a decrease of approximately 1.1% from the beginning of the Reporting Period. As at 30 June 2025, the Group's net current assets were approximately RMB40,244.8 million, representing an increase of approximately RMB3,828.3 million from the beginning of the Reporting Period. Debt ratio (total liabilities to total assets) was 66.5%, representing an increase of approximately 1.4 percentage points from the beginning of the Reporting Period.

As at 30 June 2025, the Group's cash and bank balances amounted to approximately RMB18,898.6 million, representing an increase of approximately RMB606.5 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 2025, the Group's interest-bearing bank borrowings amounted to approximately RMB98,098.7 million (as at 31 December 2024: RMB89,065.4 million) which bore fixed interest rates and were all denominated in Renminbi. Among these borrowings, approximately RMB47,628.7 million interest-bearing bank borrowings were due for repayment within one year, representing an increase of approximately RMB9,462.3 million from the beginning of the Reporting Period. Approximately RMB50,470.0 million interest-bearing bank borrowings were due for repayment after one year, representing a decrease of approximately RMB429.1 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.

NOTIFIABLE TRANSACTIONS DURING THE REPORTING PERIOD

The Group did not conduct notifiable transactions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) during the Reporting Period.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

On 29 December 2023, the amendments to the Company Law of the People's Republic of China《中華人民共和國公司法》) (the "**PRC Company Law**") was adopted, which came into effect on 1 July 2024. The amendments introduced by the new PRC Company Law to the then PRC Company Law include but not limited to reforming the corporate capital system and organisational structure, enhancement in protection for minority shareholders' rights and interests, strengthening responsibilities for controlling shareholders, directors and senior management as well as permitting the replacement of supervisory committee with the audit and risk committee (formerly known as the "**Audit Committee**"). In order to ensure the listed companies can effectively comply with and implement the new requirements of the PRC Company Law, the CSRC issued a number of important documents on 28 March 2025, including the revised Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) and the Rules for Shareholders' Meetings of Listed Companies (《上市公司股東會規則》).

The current Listing Rules contain provisions in respect of the expansion and further expansion of the paperless listing regime, which require listed issuers to disseminate corporate communications by electronic means and to ensure that their articles of association enable them to hold shareholders' general meetings, at which members can attend virtually with the use of technology and can cast votes by electronic means.

In light of the above, the Board proposed to make certain amendments to its existing Articles of Association of the Company (the "**Proposed Amendments to the Articles of Association**"), mainly including but not limited to (1) the abolishment and replacement of the Supervisory Board by the Audit and Risk Committee; (2) adjustments to the functions and powers of shareholders' general meeting and the Board; (3) strengthening the information disclosure management; (4) enhancing protection for shareholders' rights; (5) consequential amendments to the provisions of the Articles of Association in accordance with changes in applicable laws and regulations; and (6) other internal affairs and miscellaneous changes.

In view of the Proposed Amendments to the Articles of Association, the Board has considered and approved the amendments to the relevant provisions of the Rules of Procedures, which are annexed to the Articles of Association (the "**Proposed Amendments to the Rules of Procedures**").

Notwithstanding the Proposed Amendments to the Articles of Association and the Proposed Amendments to the Rules of Procedures, the contents of other chapters, articles and annexures of the Articles of Association and the Rules of Procedures shall remain unchanged. The Proposed Amendments to the Articles of Association and the Proposed Amendments to the Rules of Procedures will take effect subject to the approval at the 2025 first extraordinary general meeting. After the Proposed Amendments to the Articles of Association take effect, the establishment of the Supervisory Board will be abolished and the positions of supervisors of the Company will be automatically removed.

The special resolution in relation to the Proposed Amendments to the Articles of Association and the Proposed Amendments to the Rules of Procedures has been submitted to the 2025 first extraordinary general meeting held on Monday, 30 June 2025 for consideration and has been approved by shareholders of the Company by way of voting .

For specific contents and details of the Proposed Amendments to the Articles of Association and the Proposed Amendments to the Rules of Procedures, please refer to the announcements of the Company dated 10 June 2025 and 30 June 2025 and the circular of the Company dated 13 June 2025.

CHANGE OF AUDITOR FOR THE YEAR 2025

According to the annual general meeting for the year of 2023 of the Company on 6 June 2024, Ernst & Young Hua Ming LLP ("**Ernst & Young**") was appointed as the independent auditor of the Company for the year ended 31 December 2024 for a term ending on the date of the annual general meeting for the year of 2024 of the Company.

Pursuant to the relevant requirements of the Administrative Measures for the Appointment of Accounting Firms by State-owned Enterprises and Listed Companies (Cai Hui [2023] No.4) (《國有企業、上市公司選聘會計師事務所管理辦法》(財會[2023]4 號)) issued by the Ministry of Finance, the State-owned Assets Supervision and Administration Commission of the State Council and the China Securities Regulatory Commission of the People's Republic of China, as Ernst & Young has been providing audit services to the Company for consecutive years, and for the purpose of ensuring the independence and objectivity of the audit work of the Company, as well as considering collectively factors such as the business development and the audit work requirements of the Company, the Company has conducted tender and bidding procedures, and Deloitte Touche Tohmatsu Certified Public Accountants LLP ("**Deloitte**") has become the successful bidder. Deloitte is, therefore, proposed to be engaged as the auditor of the Company for financial reporting and internal audit for the year 2025 (the "**Change of Auditor**"). According to the resolutions made by the Board on 13 January 2025, based on the recommendations of the Audit and Risk Committee (formerly known as the "**Audit Committee**") of the Company, Deloitte is proposed to be appointed as the auditor of the Company for financial reporting and internal audit for the year 2025. The proposed appointment was subject to submission to the general meeting of the Company for the consideration and approval by the shareholders of the Company. The Board and the Audit and Risk Committee have reviewed the qualifications, competence and experience of Deloitte, and are of the view that it has met the regulatory requirements in terms of its qualifications, professional competence, independence and integrity.

The resolution in relation to the Change of Auditor has been passed at the annual general meeting for the year of 2024 held on 23 May 2025. Deloitte Touche Tohmatsu Certified Public Accountants LLP has been appointed as the auditor of the Company for the financial report and internal control of the Company for the year ending 31 December 2025 for a term ending on the date of the annual general meeting of the

Company for the year of 2025. Ernst & Young Hua Ming LLP ceased to serve as the independent auditor of the Company with effect from 23 May 2025 upon the conclusion of the annual general meeting for the year 2024.

For details of the above Change of Auditor, please refer to the announcements of the Company dated 14 January 2025 and 23 May 2025 and the circular of the Company in relation to the matters to be resolved at the annual general meeting dated 28 March 2025.

COMMITMENTS

Unit: RMB

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Asset acquisition or construction contracts entered into but not completed	**228,810,460.29**	617,694,269.02
Property development contracts entered into and being executed or will be executed	**4,205,215,063.72**	3,304,521,419.90
	4,434,025,524.01	3,922,215,688.92

CONTINGENCIES

Unit: RMB

		As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Provision of guarantee on mortgage to third parties	*Note 1*	**3,185,750,841.82**	5,389,952,018.45
Provision of guarantee on loans and others to third parties	*Note 2*	**660,000,000.00**	700,000,000.00
Provision of guarantee on loans and others to related parties	*Note 3*	**280,000,000.00**	738,918,425.70
		4,125,750,841.82	**6,828,870,444.15**

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: As at 30 June 2025, Jidong Development Group Co., Ltd., a subsidiary of the Group, provided guarantees with joint obligations on the borrowings of RMB660,000,000.00 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 in May 2029.

Note 3: The Company provided a secured guarantee for the bank loan projects of Nanjing Huayu Real Estate Development Co., Ltd. (南京鏵隅房地產開發有限公司), an associate of the Group, amounting to RMB210,000,000.00. The guarantee will expire on 23 September 2029. Tangshan Jidong Cement Co., Ltd., a subsidiary of the Group, provided guarantees with joint obligations on five borrowings of RMB15,000,000.00, RMB10,000,000.00, RMB15,000,000.00, RMB20,000,000.00 and RMB10,000,000.00, respectively, for Anshan Jidong Cement Co., Ltd., which will expire on 14 October 2025, 14 November 2025, 16 December 2025, 14 May 2026 and 15 June 2026, respectively.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group does not have plans for material investments and capital assets.

PLEDGE OF ASSETS

As at 30 June 2025, the Group's cash and bank balances, certain inventories, bill receivables, receivables financing, fixed assets, investment properties, equity interest, land use rights and restricted cash arising from pre-sales of properties totaling approximately RMB34,486.2 million (as at 31 December 2024: RMB30,996.9 million) were pledged to secure the short-term and long-term loans of the Group, which accounted for approximately 12.7% of the total assets of the Group (as at 31 December 2024: 11.7%).

EMPLOYEES

As at 30 June 2025, the Group had 43,481 employees in total (as at 31 December 2024: 43,825). During the Reporting Period, the aggregate remuneration of the Group's employees (including Directors' remuneration) amounted to approximately RMB3,856.9 million (for the six months ended 30 June 2024: RMB3,775.9 million), representing an increase of approximately 2.1%. 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 INVESTMENTS

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5 per cent or more of the Company's total assets as at 30 June 2025) during the Reporting Period.

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.

LOAN ARRANGEMENTS GRANTED TO ENTITIES

During the Reporting Period, the Group did not grant any loan to any entity which is subject to disclosure requirements under Rule 13.13 of the Listing Rules.

PLEDGE OF SHARES BY CONTROLLING SHAREHOLDERS

During the Reporting Period, there was no pledge of Shares by the controlling shareholders of the Company.

BREACH OF LOAN AGREEMENTS

During the Reporting Period, there was no breach of the loan agreements by the Company in which the loan involved would have a significant impact on the business operations of the Company.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

During the Reporting Period, there was no financial assistance or guarantee to affiliated companies by the Company which is subject to disclosure under Rule 13.22 of the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

As at 30 June 2025, 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) *(Notes 1, 3)*	Direct beneficial owner	4,835,228,438	57.983	45.283
	Beijing Jingguofa Equity Investment Fund (Limited Partnership) 北京京國發股權投資基金（有限合夥）*(Note 2)*	Interest of corporation controlled by substantial shareholder	43,115,900	0.517	0.404
	State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality *(Note 1)*	Held by controlled corporation	4,878,344,338	58.500	45.687

Note 1: 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.

Note 2: Beijing State-owned Capital Operation and Management Company Limited is interested in 43,115,900 A Shares of the Company through its 77.59% direct equity interest in Beijing Jingguorui State-owned Assets Reform and Development Fund (Limited Partnership)* (北京京國瑞國企改革發展基金(有限合夥)) and 93.32% indirect equity interest in Beijing Jingguofa Equity Investment Fund (Limited Partnership) (北京京國發股權投資基金(有限合夥)), which is directly held by Jingguorui State-owned Assets Reform and Development Fund (Limited Partnership) (北京京國瑞國企改革發展基金(有限合夥)).

Note 3: Beijing State-owned Capital Operation and Management Company Limited intended to increase its shareholding of A Shares of the Company through centralized bidding trading within 12 months from 22 August 2024. For details of the shareholding increase plan of Beijing State-owned Capital Operation and Management Company Limited, please refer to the Company's overseas regulatory announcement regarding the "Announcement on the Controlling Shareholders' Plan to Increase its Shareholding in the Company" dated 21 August 2024.

On 23 August 2024, Beijing State-owned Capital Operation and Management Company Limited initially increased its shareholding by 6,682,600 A Shares of the Company that are not subject to lock–up restriction by means of centralized bidding through the Shanghai Stock Exchange, with an amount of RMB8,525,554 (excluding transaction fees). For details of the shareholding increase of Beijing State-owned Capital Operation and Management Company Limited, please refer to the Company's overseas regulatory announcement regarding the "Announcement on the Progress of the Controlling Shareholder's Plan to Increase its Shareholding and the Initial Increase in Shareholding in the Company" dated 23 August 2024.

As at 30 June 2025 and the date of this announcement, Beijing State-owned Capital Operation and Management Company Limited has completed the shareholding increase plan, and increased its shareholding by 37,870,866 A Shares of the Company in aggregate with an amount of RMB50,000,145.12 (excluding transaction fees). For details of the shareholding increase of Beijing State-owned Capital Operation and Management Company Limited, please refer to the Company's overseas regulatory announcement regarding the "Announcement on Results of the Increase of Shareholding by the Controlling Shareholder" dated 21 August 2025.

Save as disclosed above, as at 30 June 2025, 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 AND CHIEF EXECUTIVE IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, none of the Directors or chief executive officer of the Company had an interest or short position 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 which were required, pursuant to section 352 of the SFO, to be entered in the register of interests maintained by the Company, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the model code for securities transactions by the Directors 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 2025, the Directors were not aware of any issues of the Directors, then supervisors and relevant employees not in compliance with the Model Code during the six months ended 30 June 2025. Specific enquiry has been made to all Directors and then 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 (including sale of treasury shares (as defined under the Listing Rules)) of the Company during the six months ended 30 June 2025. During the six months ended 30 June 2025, the Company did not have any treasury shares.

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, 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 C1 to the Listing Rules.

ABOLISHMENT OF THE SUPERVISORY BOARD

With effect from the conclusion of the 2025 first extraordinary general meeting (i.e. 23 May 2025), the establishment of the Supervisory Board was abolished and its original duties would be performed by the Audit and Risk Committee, and the positions of each of the supervisors of the Company, namely, Wang Guijiang, Fan Qinghai, Gao Junhua, Gao Jinliang, Qiu Peng and Yu Yuehua, were removed accordingly.

BOARD COMPOSITION

The Board received a resignation letter from the independent non-executive Director, Mr. Yu Fei, on 4 March 2025. Mr. Yu Fei resigned as an independent non-executive Director of the Company, and a member of each of the Audit and Risk Committee (formerly known as the "**Audit Comittee**"), the Remuneration and Nomination Committee and the Strategic Committee due to his work re-designation. The above change took effect from 4 March 2025. For details of the resignation of Mr. Yu Fei, Please refer to the announcement of the Company dated 4 March 2025.

The Board received a resignation letter from the executive director of the Company, Mr. Jiang Changlu, on 12 August 2025. Mr. Jiang Changlu tendered his resignation as an executive Director of the Company and a member of the Remuneration and Nomination Committee because he has reached the age of retirement. The above change took effect from 12 August 2025. For details of the resignation of Mr. Jiang Changlu, please refer to the announcement of the Company dated 12 August 2025.

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 three executive Directors, two non-executive Directors and three independent non-executive Directors. It has a strong independence element in its composition.

AUDIT AND RISK COMMITTEE

The Company has established the Audit and Risk Committee pursuant to the provisions of the Listing Rules, aimed at reviewing and supervising the Group's financial reporting procedures. The Audit and Risk Committee is composed of two non-executive Directors and three independent non-executive Directors. At the meeting convened on 27 August 2025, the Audit and Risk 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 2025, reviewed the accounting principles and practices adopted by the Group, considered the Group's financial statements for the first half of 2025 and recommended their adoption by the Board.

As at the date of this announcement, members of the Audit and Risk Committee are Mr. Gu Tiemin (non-executive Director), Ms. Hao Liwei (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. Tam Kin Fong is the chairman of the Audit and Risk 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 the website of the Company (http://www.bbmg.com.cn/listco). The 2025 interim financial report of the Company for the six months ended 30 June 2025 prepared in accordance with the China Accounting Standards for Business Enterprises, which contains the applicable information required under Appendix D2 to the Listing Rules, will be despatched to the Shareholders upon their written request 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 2025 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 of the Company for your diligence and dedication and all employees of the Company for your hard work. In the new journey, we will anchor goals, overcome difficulties and go all out to continuously reward investors with outstanding operating results and make new and greater contributions to the development and modernization of the capital in the new era!

By order of the Board
BBMG Corporation*
Jiang Yingwu
Chairman

Beijing, the PRC, 27 August 2025

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

* *For identification purposes only*