BBMG 金隅

北 京 金 隅 集 團 股 份 有 限 公 司

BBMG Corporation*

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

(Stock Code: 2009)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS

- Operating revenue of RMB91,113.1 million, a decrease of approximately 17.7% from 2024
- Gross profit margin of principal business of approximately 11.8%, an increase of approximately 1.9 percentage points from 2024
- Net loss of approximately RMB1,506.6 million, a decrease of approximately RMB27.6 million or approximately 1.8% as compared to net loss of approximately RMB1,534.2 million in 2024
- Net loss attributable to the shareholders of the parent company of approximately RMB1,009.5 million, an increase of approximately RMB454.3 million or approximately 81.8% as compared with net loss attributable to the shareholders of the parent company of approximately RMB555.2 million in 2024
- Basic losses per share attributable to the shareholders of the parent company (before deducting interests on other equity instruments) was approximately RMB0.09, an increase of approximately RMB0.04 or approximately 80.0% as compared with basic losses per share (before deducting interests on other equity instruments) of approximately RMB0.05 in 2024
- Basic losses per share attributable to the shareholders of the parent company (after deducting interests on other equity instruments) was approximately RMB0.19, an increase of approximately RMB0.04 or approximately 26.7% as compared with basic losses per share (after deducting interests on other equity instruments) of approximately RMB0.15 in 2024
- The Board recommended a final dividend of RMB0.05 per share (before tax) for the year ended 31 December 2025

* *For identification purposes only*

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of BBMG Corporation (the "**Company**" or "**BBMG**") is pleased to present the audited annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2025 (the "**Reporting Period**") together with the comparative figures for the year of 2024. These results have been reviewed by the audit and risk committee of the Company (the "**Audit and Risk Committee**"). This annual results announcement ("**this announcement**") is prepared on the basis of the audited financial results of the Group for the year ended 31 December 2025 and contains the audited consolidated financial statements of the Group for the year ended 31 December 2025.

RESULTS OF OPERATIONS

During the Reporting Period, the Group achieved a net loss attributable to shareholders of the parent company of approximately RMB1,009.5 million, representing a year-on-year increase of approximately RMB454.3 million or 81.8% as compared with a net loss of approximately RMB555.2 million for the same period in 2024; basic losses per share (before deducting other equity instrument indicators) was approximately RMB0.09 (for the year ended 31 December 2024: basic losses per share of approximately RMB0.05), representing an increase of approximately RMB0.04 or approximately 80% from 2024; total equity attributable to the shareholders of the parent company was approximately RMB71,024.3 million as at the end of the Reporting Period, representing a decrease of approximately RMB2,693.4 million or approximately 3.7% from the beginning of the Reporting Period.

DIVIDEND

The Board recommended a final dividend of RMB0.05 per share (before tax) for the Reporting Period (for the year ended 31 December 2024: RMB0.05 per share (before tax)), subject to approval by the shareholders of the Company (the "**Shareholders**") at the forthcoming annual general meeting (the "**AGM**").

The Company will inform the Shareholders of the information related to the distribution of final dividend by way of announcement as soon as practicable.

CONSOLIDATED INCOME STATEMENT

Unit: RMB

	Notes	**For the year ended 31 December 2025 Audited**	For the year ended 31 December 2024 Audited
Operating revenue	*5*	**91,113,100,214.76**	110,711,819,398.74
Less: Operating costs	*6*	**80,170,787,568.40**	99,133,841,345.85
Tax and surcharges		**1,326,527,522.02**	1,349,662,765.82
Selling expenses	*7*	**2,333,882,878.46**	2,333,323,340.27
Administrative expenses	*8*	**6,611,840,995.86**	6,648,396,353.40
Research and development expenses	*9*	**742,008,778.15**	665,894,604.90
Finance costs	*10*	**2,629,614,707.84**	2,797,247,842.41
Including: Interest expenses		***2,809,796,250.47***	*2,939,700,546.05*
Interest income		**235,822,071.41**	*210,204,723.33*
Add: Other gains	*11*	**816,173,318.96**	604,687,659.64
Investment gains	*12*	**504,779,090.22**	1,063,076,974.32
Including: Gains from investment in associates and joint ventures		***(41,270,680.14)***	*364,658,696.36*
Gains on financial assets measured at amortized cost		***204,373,010.72***	*610,318,847.54*
Gains from changes in fair value	*13*	**403,792,418.23**	738,500,314.17
Credit impairment gains	*14*	**77,982,351.14**	222,244,867.29
Asset impairment losses	*15*	**(1,451,393,886.68)**	(1,228,372,052.49)
Gains on disposal of assets	*16*	**1,992,982,184.78**	1,199,012,007.98
Operating (loss)/profit		**(357,246,759.32)**	382,602,917.00
Add: Non-operating revenue	*5*	**567,640,538.62**	415,215,502.37
Less: Non-operating expenses	*6*	**178,043,230.53**	341,719,053.44
Total profit		**32,350,548.77**	456,099,365.93
Less: Income tax expenses	*17*	**1,538,990,082.86**	1,990,308,295.08
Net loss		**(1,506,639,534.09)**	(1,534,208,929.15)
Classified by continuity of operations			
Net loss from continuing operations		**(1,506,639,534.09)**	(1,534,208,929.15)
Classified by attribution of ownership			
Net loss attributable to the shareholders of the parent company		**(1,009,466,516.70)**	(555,162,082.74)
Minority interests		**(497,173,017.39)**	(979,046,846.41)

CONSOLIDATED INCOME STATEMENT (CONTINUED)

Unit: RMB

	Note	**For the year ended 31 December 2025 Audited**	For the year ended 31 December 2024 Audited
Net other comprehensive income after tax		**138,668,906.77**	19,516,768.43
Net other comprehensive income after tax attributable to shareholders of the parent company		**116,174,175.13**	40,094,074.59
Other comprehensive income not allowed to be reclassified into profit or loss		**28,262,015.22**	12,294,666.14
Changes arising from re-measurement of defined benefit plans		**16,594,075.30**	(9,026,597.56)
Changes in fair value of investment in other equity instruments		**11,667,939.92**	21,321,263.70
Other comprehensive income to be reclassified into profit or loss		**87,912,159.91**	27,799,408.45
Other comprehensive income that may be reclassified to profit or loss under equity method		**5,868,575.61**	1,554,022.73
Changes in fair value of other debt investments		**(578,925.00)**	-
Exchange differences on foreign currency translation		**(3,943,593.01)**	(4,077,472.38)
The difference between the fair value and the carrying value of inventories/self-occupied properties on the date when it changed to investment properties measured with the fair value model		**86,566,102.31**	30,322,858.10
Net other comprehensive income after tax attributable to minority interests		**22,494,731.64**	(20,577,306.16)
Total comprehensive income		**(1,367,970,627.32)**	(1,514,692,160.72)
Including: Total comprehensive income attributable to the shareholders of the parent company		***(893,292,341.57)***	*(515,068,008.15)*
Total comprehensive income attributable to minority interests		***(474,678,285.75)***	*(999,624,152.57)*
Basic and diluted losses per share (RMB/share)	*18*		
Before deducting other equity instrument indicators		**(0.09)**	(0.05)
After deducting other equity instrument indicators		**(0.19)**	(0.15)

CONSOLIDATED BALANCE SHEET

Unit: RMB

	Notes	**As at 31 December 2025 Audited**	As at 31 December 2024 Audited
Assets			
Current Assets			
Cash and bank balances		**16,224,112,174.45**	18,292,078,276.08
Financial assets held for trading		**970,596,554.47**	1,172,593,404.61
Bills receivable	*20*	**497,663,264.11**	807,322,521.79
Accounts receivable	*21*	**11,399,856,092.87**	10,587,441,407.24
Financing receivables		**850,433,443.17**	885,835,186.93
Prepayments		**3,248,897,713.60**	3,106,818,812.94
Other receivables		**7,526,941,670.00**	5,419,560,183.17
Inventories	*22*	**82,479,958,825.66**	83,656,491,773.69
Contract assets		**614,904,814.96**	489,245,361.82
Non-current assets due within one year		**1,722,372,285.64**	766,358,369.93
Other current assets		**8,514,243,262.79**	8,011,719,626.52
Total current assets		**134,049,980,101.72**	133,195,464,924.72
Non-current assets			
Debt investments		**30,534,002.82**	858,770,664.33
Other debt investments		**467,784,342.37**	-
Long-term receivables		**1,444,633,484.74**	2,089,895,870.55
Long-term equity investments		**8,956,983,997.42**	9,358,406,745.44
Investment in other equity instruments		**998,410,315.35**	654,486,823.56
Other non-current financial assets		**798,123,889.85**	489,561,240.56
Investment properties		**47,872,002,131.58**	45,050,117,856.24
Fixed assets		**42,222,283,377.14**	45,233,562,353.34
Construction in progress		**2,034,712,328.72**	2,003,383,911.57
Right-of-use assets		**887,121,459.33**	946,709,363.05
Intangible assets		**16,712,274,749.55**	16,271,662,332.20
Goodwill		**2,830,149,265.40**	2,644,369,314.19
Long-term deferred expenditures		**2,070,162,276.61**	1,974,373,975.35
Deferred income tax assets		**1,899,441,899.76**	2,917,647,914.59
Other non-current assets		**344,360,056.00**	307,307,411.42
Total non-current assets		**129,568,977,576.64**	130,800,255,776.39
Total assets		**263,618,957,678.36**	263,995,720,701.11

CONSOLIDATED BALANCE SHEET (CONTINUED)

Unit: RMB

	Notes	**As at 31 December 2025 Audited**	As at 31 December 2024 Audited
Liabilities and equity attributable to shareholders			
Current liabilities			
Short-term loans	*23*	**25,676,730,398.34**	28,335,162,449.14
Bills payable	*24*	**4,150,182,175.87**	3,055,166,040.97
Accounts payable	*25*	**16,573,021,864.84**	20,944,153,978.57
Receipts in advance		**318,616,077.79**	326,427,424.85
Contract liabilities		**7,075,184,375.04**	5,988,832,582.80
Wages payable		**298,609,978.78**	297,399,921.72
Tax payable		**881,053,789.84**	1,204,735,864.89
Other payables		**7,117,883,604.60**	6,660,906,438.99
Non-current liabilities due within one year		**25,253,636,923.72**	20,823,307,618.07
Short-term financing bonds	*26*	**1,000,644,383.56**	6,026,458,630.14
Other current liabilities		**3,437,074,628.40**	3,116,401,307.48
Total current liabilities		**91,782,638,200.78**	96,778,952,257.62
Non-current liabilities			
Long-term loans	*27*	**55,537,629,277.57**	50,899,057,721.01
Bonds payable	*26*	**16,158,542,279.88**	14,913,432,646.31
Lease liabilities		**431,305,371.38**	458,491,118.63
Long-term payables		**448,900,721.25**	259,601,004.90
Long-term wages payable		**363,692,973.72**	389,947,884.18
Accrued liabilities		**651,294,169.20**	689,202,184.41
Deferred income		**787,864,000.33**	798,598,254.47
Deferred income tax liabilities		**6,883,052,149.62**	6,691,116,499.36
Other non-current liabilities		**1,658,378,539.18**	-
Total non-current liabilities		**82,920,659,482.13**	75,099,447,313.27
Total liabilities		**174,703,297,682.91**	171,878,399,570.89

CONSOLIDATED BALANCE SHEET (CONTINUED)

Unit: RMB

	As at 31 December 2025 Audited	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	**30,238,550,000.00**	30,457,376,000.00
Including: Perpetual bonds	***30,238,550,000.00***	*30,457,376,000.00*
Capital reserve	**5,016,200,135.25**	5,038,256,982.55
Other comprehensive income	**784,397,424.58**	672,456,324.65
Specific reserve	**32,946,315.73**	79,233,220.09
Surplus reserve	**3,136,562,941.30**	3,032,786,180.00
General risk reserve	**497,216,299.67**	497,216,299.67
Retained earnings	**20,640,609,530.17**	23,262,404,290.69
Total equity attributable to the shareholders of the parent company	**71,024,253,780.70**	73,717,500,431.65
Minority interests	**17,891,406,214.75**	18,399,820,698.57
Total equity attributable to shareholders	**88,915,659,995.45**	92,117,321,130.22
Total liabilities and equity attributable to shareholders	**263,618,957,678.36**	263,995,720,701.11

NOTES:

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance and other relevant provisions. 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 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 were taken into account in the preparation.

The financial statements are prepared on a going concern basis.

2. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES FOR BUSINESS ENTERPRISES

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

3. STATEMENT OF COMPLIANCE WITH ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The financial statements are prepared in accordance with the requirements of Accounting Standards for Business Enterprises and present fairly and fully the financial position of the Company and the Group as at 31 December 2025 and their operating performance, the consolidated and the Company's statement of changes in shareholders' equity and the consolidated and the Company's cash flows for 2025.

4. OPERATING SEGMENT INFORMATION

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 monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment results are evaluated based on the segment profits reported. 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 of the headquarters as these assets and liabilities are under the unified management of the Group.

Pricing for transfer between operating segments is agreed upon by both parties of transactions with reference to the fair price quoted from transactions with third parties.

Unit: RMB

For the year ended 31 December 2025

	Modern green building materials segment	Property development and operation segment	Unallocated assets/liabilities/ expenses of the headquarters	Adjustments and eliminations	Total
Revenue from external transactions	78,877,472,834.30	12,235,627,380.46	-	-	91,113,100,214.76
Revenue from inter-segment transactions	788,392,499.87	222,833,703.55	-	(1,011,226,203.42)	-
	79,665,865,334.17	12,458,461,084.01	-	(1,011,226,203.42)	91,113,100,214.76
Gains on investment in joint ventures and associates	118,949,213.06	(160,219,893.20)	-	-	(41,270,680.14)
Asset impairment losses	(818,866,944.53)	(632,526,942.15)	-	-	(1,451,393,886.68)
Credit impairment gains/(losses)	80,280,780.94	(2,298,429.80)	-	-	77,982,351.14
Depreciation and amortisation costs	4,609,139,614.74	330,998,961.02	104,974,615.66	-	5,045,113,191.42
Total profit/(losses)	1,926,412,922.74	(1,427,290,327.96)	(491,201,083.61)	24,429,037.60	32,350,548.77
Income tax expense	633,623,405.14	1,022,059,689.22	(122,800,270.90)	6,107,259.40	1,538,990,082.86
Total assets	130,263,342,010.31	175,281,334,285.14	133,511,705.89	(42,059,230,322.98)	263,618,957,678.36
Total liabilities	87,049,454,015.46	106,242,994,888.19	23,427,171,987.60	(42,016,323,208.34)	174,703,297,682.91
Long-term equity investment in joint ventures and associates	1,648,769,676.54	7,308,214,320.88	-	-	8,956,983,997.42
Increase in other non-current assets, excluding long-term equity investments	5,518,428,894.49	1,385,679,971.44	-	-	6,904,108,865.93

For the year ended 31 December 2024

	Modern green building materials segment	Property development and operation segment	Unallocated assets/liabilities/ expenses of the headquarters	Adjustments and eliminations	Total
Revenue from external transactions	77,541,041,511.16	33,170,777,887.58	–	–	110,711,819,398.74
Revenue from inter-segment transactions	1,109,558,690.31	249,292,294.26	–	(1,358,850,984.57)	–
	78,650,600,201.47	33,420,070,181.84	–	(1,358,850,984.57)	110,711,819,398.74
Gains on investment in joint ventures and associates	103,237,489.80	261,421,206.56	–	–	364,658,696.36
Asset impairment losses	(458,751,008.72)	(753,590,392.11)	–	(16,030,651.66)	(1,228,372,052.49)
Credit impairment gains	204,770,730.80	17,474,136.49	–	–	222,244,867.29
Depreciation and amortisation costs	4,824,366,072.66	448,320,804.64	104,252,232.92	–	5,376,939,110.22
Total profit/(losses)	(801,700,268.47)	2,377,033,253.81	(578,432,843.46)	(540,800,775.95)	456,099,365.93
Income tax expense	408,346,791.26	1,861,769,908.68	(144,608,210.87)	(135,200,193.99)	1,990,308,295.08
Total assets	131,162,339,761.28	175,059,160,386.98	131,075,853.42	(42,356,855,300.57)	263,995,720,701.11
Total liabilities	87,460,469,059.55	102,459,520,861.59	24,360,951,617.83	(42,402,541,968.08)	171,878,399,570.89
Long-term equity investment in joint ventures and associates	6,878,374,159.67	2,480,032,585.77	–	–	9,358,406,745.44
Increase in other non-current assets, excluding long-term equity investments	5,929,650,336.95	1,360,326,195.02	–	–	7,289,976,531.97

Geographical information

Unit: RMB

Operating revenue

	For the year ended 31 December 2025 Audited	For the year ended 31 December 2024 Audited
Asia	**90,896,354,775.37**	110,550,394,061.46
Europe	**201,914,865.69**	144,429,847.16
Africa	**14,830,573.70**	16,995,490.12
	91,113,100,214.76	110,711,819,398.74

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

For the year ended 31 December 2025, no operating revenue from any one single customer of the Group accounted for more than 10% of the Group's revenue (for the year ended 31 December 2024: Nil).

5. OPERATING REVENUE AND NON-OPERATING REVENUE

Unit: RMB

Operating revenue is presented as follows:

	For the year ended 31 December 2025 Audited	For the year ended 31 December 2024 Audited
Operating revenue from principal business	**90,611,561,783.18**	109,754,863,645.13
Operating revenue from other business	**501,538,431.58**	956,955,753.61
	91,113,100,214.76	110,711,819,398.74

An analysis of operating revenue is as follows:

Types of goods	**For the year ended 31 December 2025 Audited**	For the year ended 31 December 2024 Audited
Sale of products	**35,013,714,776.49**	31,923,127,688.77
Sale of properties	**8,193,401,970.24**	29,153,652,308.36
Income from decoration	**1,536,920,791.23**	1,966,238,450.64
Rental income	**1,773,524,842.20**	1,914,028,399.71
Property management	**1,200,598,467.36**	1,040,421,870.19
Treatment of solid wastes	**880,916,177.78**	961,981,779.89
Hotel operation	**458,815,319.92**	474,518,558.84
Bulk commodity trade	**38,905,957,244.45**	39,778,731,324.60
Logistics transportation	**1,359,005,072.48**	1,345,742,940.55
Interest income	**237,751,920.94**	226,481,731.87
Others	**1,552,493,631.67**	1,926,894,345.32
	91,113,100,214.76	110,711,819,398.74

Non-operating revenue is presented as follows:

	For the year ended 31 December 2025 Audited	For the year ended 31 December 2024 Audited
Unpayable amounts	**249,504,432.66**	65,967,649.38
Gains on disposal of non-current assets	**31,899,674.76**	22,988,146.64
Government grants	**3,900,821.10**	6,592,261.88
Net gains from fines	**36,996,225.76**	37,283,713.71
Others	**245,339,384.34**	282,383,730.76
	567,640,538.62	415,215,502.37

6. OPERATING COSTS AND NON-OPERATING EXPENSES

Unit: RMB

Operating costs are presented as follows:

	For the year ended 31 December 2025 Audited	For the year ended 31 December 2024 Audited
Operating costs from principal business	**79,950,374,077.48**	98,870,166,420.33
Operating costs from other business	**220,413,490.92**	263,674,925.52
	80,170,787,568.40	99,133,841,345.85

Non-operating expenses are presented as follows:

	For the year ended 31 December 2025 Audited	For the year ended 31 December 2024 Audited
Expenses on compensation, penalties and fines	**116,350,907.83**	72,771,838.87
Losses on disposal of non-current assets	**21,846,233.65**	53,351,767.89
Losses on debt restructuring	**2,321,315.00**	5,889,992.62
Expenses on charity donation	**81,411.57**	871,822.47
Other expenses	**37,443,362.48**	208,833,631.59
	178,043,230.53	341,719,053.44

7. SELLING EXPENSES

Unit: RMB

	For the year ended 31 December 2025 Audited	For the year ended 31 December 2024 Audited
Employee remunerations	**1,031,626,093.80**	1,019,743,425.85
Advertisement fee	**399,009,815.29**	361,918,362.45
Agency intermediary fee	**374,153,186.00**	422,696,104.41
Office expenses	**338,135,100.00**	385,043,802.09
Lease fee	**60,265,176.48**	69,988,667.27
Transportation and traveling expenses	**29,743,127.64**	47,112,694.61
Others	**100,950,379.25**	26,820,283.59
	2,333,882,878.46	2,333,323,340.27

8. ADMINISTRATIVE EXPENSES

Unit: RMB

	For the year ended 31 December 2025 Audited	For the year ended 31 December 2024 Audited
Employee remunerations	**3,179,401,021.34**	3,121,384,620.47
Office expenses	**986,101,237.78**	995,433,031.10
Loss on shut down	**925,333,288.38**	1,092,044,931.12
Intermediary service fees	**269,177,958.51**	253,108,471.79
Leasing expenses	**97,298,365.36**	78,933,267.79
Utilities	**79,883,812.90**	97,578,542.17
Sewage and afforestation fees	**29,032,377.20**	50,525,053.39
Others	**1,045,612,934.39**	959,388,435.57
	6,611,840,995.86	6,648,396,353.40

9. RESEARCH AND DEVELOPMENT EXPENSES

Unit: RMB

	For the year ended 31 December 2025 Audited	For the year ended 31 December 2024 Audited
Employee remunerations	**367,331,970.62**	381,289,458.79
Material and equipment cost	**142,833,346.78**	166,517,314.27
Others	**231,843,460.75**	118,087,831.84
	742,008,778.15	665,894,604.90

10. FINANCE COSTS

Unit: RMB

	For the year ended 31 December 2025 Audited	For the year ended 31 December 2024 Audited
Interest expense	**3,411,189,483.79**	4,053,324,558.47
Less: Interest income	**(235,822,071.41)**	(210,204,723.33)
Less: Amount of capitalised interest	**(601,393,233.32)**	(1,113,624,012.42)
Exchange gains	**(13,353,137.24)**	(15,058,309.02)
Handling charges	**30,595,839.90**	35,116,359.10
Others	**38,397,826.12**	47,693,969.61
	2,629,614,707.84	2,797,247,842.41

For the year ended 31 December 2025, the amount of capitalised borrowing costs has included in construction in progress of RMB4,685,987.60 (for the year ended 31 December 2024: RMB6,358,691.32), costs for properties under development of RMB588,552,425.87 (for the year ended 31 December 2024: RMB1,007,740,128.35) and investment properties of RMB8,154,819.85 (for the year ended 31 December 2024: RMB99,525,192.75).

11. OTHER GAINS

Unit: RMB

	For the year ended 31 December 2025 Audited	For the year ended 31 December 2024 Audited	Related to assets/gains
Refunds of VAT	**292,362,627.74**	261,176,997.92	Related to gains
Grants on sale of heat	**5,362,500.00**	7,265,400.00	Related to gains
Income from other subsidies	**518,448,191.22**	336,245,261.72	Related to assets/gains
	816,173,318.96	604,687,659.64	

12. INVESTMENT GAINS

Unit: RMB

	For the year ended 31 December 2025 Audited	For the year ended 31 December 2024 Audited
Investment gains from disposal of long-term equity investments	**273,343,223.52**	(32,286,225.12)
Investment gains from disposal of debts	**204,373,010.72**	610,318,847.54
Interest income from debt investments during the holding period	**50,795,891.01**	44,335,930.60
Investment gains from financial assets at fair value through profit or loss during the holding period	**10,845,217.76**	17,815,493.99
Dividend income from investment in other equity instruments during the holding period	**6,628,782.33**	10,127,412.97
Gains from long-term equity investments under equity method	**(41,270,680.14)**	364,658,696.36
Others	**63,645.02**	48,106,817.98
	504,779,090.22	1,063,076,974.32

13. GAINS FROM CHANGES IN FAIR VALUE

Unit: RMB

	For the year ended 31 December 2025 Audited	For the year ended 31 December 2024 Audited
Investment properties measured at fair value	**400,804,059.56**	675,683,117.79
Hedging business	**4,154,822.19**	7,589,678.18
Financial assets at fair value through profit or loss	**(1,166,463.52)**	55,227,518.20
Total	**403,792,418.23**	738,500,314.17

14. CREDIT IMPAIRMENT GAINS

Unit: RMB

	For the year ended 31 December 2025 Audited	For the year ended 31 December 2024 Audited
Expected credit gains from bills receivable	**7,304,227.70**	6,498,578.95
Expected credit gains from accounts receivable	**80,597,959.96**	180,571,139.01
Expected credit gains from other receivables	**8,043,254.65**	26,754,794.18
Expected credit (losses)/gains from long-term receivables	**(17,963,091.17)**	8,420,355.15
	77,982,351.14	222,244,867.29

15. ASSET IMPAIRMENT LOSSES

Unit: RMB

	For the year ended 31 December 2025 Audited	For the year ended 31 December 2024 Audited
Losses on decline in value of inventory	**760,785,613.87**	939,944,867.62
Losses on impairment of fixed assets	**672,524,910.96**	229,704,602.74
Losses on impairment of contract assets	**9,624,503.05**	6,883,493.77
Losses on impairment of construction in progress	**2,114,702.85**	47,737.31
Losses on impairment of prepayments	**6,344,155.95**	1,744,064.92
Losses on impairment of goodwill	**-**	17,000,000.00
Losses on impairment of long-term equity investments	**-**	19,141,121.02
Others	**-**	13,906,165.11
	1,451,393,886.68	1,228,372,052.49

16. GAINS ON DISPOSAL OF ASSETS

	For the year ended 31 December 2025 Audited	For the year ended 31 December 2024 Audited
Gains on disposal of intangible assets	**1,305,177,289.15**	388,595,013.84
Gains on disposal of fixed assets	**247,346,543.94**	809,569,676.43
Gains on disposal of inventories	**321,601,709.00**	-
Gains on disposal of investment properties	**119,478,816.00**	-
Others	**(622,173.31)**	847,317.71
	1,992,982,184.78	1,199,012,007.98

17. INCOME TAX EXPENSES

Unit: RMB

	For the year ended 31 December 2025 Audited	For the year ended 31 December 2024 Audited
Current income tax expense	**510,767,733.94**	1,316,374,269.28
Deferred income tax expense	**1,028,222,348.92**	673,934,025.80
	1,538,990,082.86	1,990,308,295.08

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

	For the year ended 31 December 2025 Audited	For the year ended 31 December 2024 Audited
Total profit	**32,350,548.77**	456,099,365.93
Income tax expense at the statutory income tax rate	**8,087,637.19**	114,024,841.48
Effect of different tax rates applicable to subsidiaries	**(72,031,499.10)**	(54,931,798.37)
Effect of adjustments on income tax of previous periods	**14,335,715.47**	8,161,127.20
Share of profits and losses of joint ventures and associates	**10,317,670.04**	(91,164,674.09)
Effect of income not subject to tax	**(11,048,717.32)**	(15,812,266.32)
Effect of non-deductible costs, expenses and losses	**13,760,850.72**	19,303,794.36
Effect of deductible temporary difference and deductible losses not recognized	**1,314,731,991.00**	1,460,618,982.59
Reversal of deductible losses on deferred income tax asset previously recognized	**260,836,434.86**	550,108,288.23
Income tax expense at the effective tax rate of the Group	**1,538,990,082.86**	1,990,308,295.08

18. LOSSES PER SHARE

The calculation of basic losses per share is as follows:

Unit: RMB

	For the year ended 31 December 2025 Audited	For the year ended 31 December 2024 Audited
Losses		
Net loss for the period attributable to ordinary shareholders of the Company	**(1,009,466,516.70)**	(555,162,082.74)
Less: Interests on other equity instruments	**978,896,001.02**	1,084,474,591.48
Shares		
Weighted average number of ordinary shares in issue of the Company	**10,677,771,134.00**	10,677,771,134.00
Basic losses per share	**(0.19)**	(0.15)

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 interests on other equity instruments divided by the weighted average number of ordinary shares in issue.

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

19. DIVIDEND

	For the year ended 31 December 2025 ***RMB'000***	For the year ended 31 December 2024 *RMB'000*
Proposed final dividend – RMB0.05 per ordinary share before tax (for the year ended 31 December 2024: RMB0.05 per share before tax)	**533,888.56**	533,888.56

The proposed final dividend for the Reporting Period is calculated based on the total number of shares in issue, including both A Shares and H Shares, as at the date of this announcement and is subject to the approval of the Company's shareholders at the forthcoming AGM.

In the event of any change in the total share capital of the Company after the date of this announcement but before the record date for implementing payment of the proposed final dividend, the total distribution amount will be kept unchanged and the distribution amount per share will be adjusted in proportion accordingly. In the event of subsequent changes in the total share capital, the Company will make further announcement on specific adjustments.

20. BILLS RECEIVABLE

Unit: RMB

	At 31 December 2025 Audited	At 31 December 2024 Audited
Commercial acceptance bills	**479,113,947.43**	713,601,985.78
Bank acceptance bills	**31,191,463.10**	113,666,910.13
Less: Provision for bad debts of bills receivable	**12,642,146.42**	19,946,374.12
	497,663,264.11	807,322,521.79

For the year ended 31 December 2025, the movements in provision for bad debts of bills receivable are as follows:

	As at 31 December 2025 Audited	As at 31 December 2024 Audited
Opening balance	**19,946,374.12**	27,123,603.53
Provision for the year	**12,642,146.42**	4,461,815.00
Reversal for the year	**(19,946,374.12)**	(10,960,393.95)
Other changes	**-**	(678,650.46)
Closing balance	**12,642,146.42**	19,946,374.12

21. ACCOUNTS RECEIVABLE

Unit: RMB

The credit periods of accounts receivable are generally 1 to 6 months. Accounts receivable are non-interest bearing. The aging of accounts receivable is calculated from the date of delivery of goods or provision of services to the customers and the date when the invoice issued.

An aging analysis of the accounts receivable is as follows:

	At 31 December 2025 Audited	At 31 December 2024 Audited
Within 1 year	**9,337,959,200.85**	8,804,588,458.98
1 to 2 years	**1,728,637,957.64**	1,659,776,776.26
2 to 3 years	**783,390,054.07**	742,826,971.80
3 to 4 years	**275,111,181.52**	365,777,835.68
4 to 5 years	**253,973,781.21**	181,094,486.94
Over 5 years	**1,582,742,988.48**	1,500,012,573.94
	13,961,815,163.77	13,254,077,103.60
Less: Provision for bad debts of accounts receivable	**2,561,959,070.90**	2,666,635,696.36
	11,399,856,092.87	10,587,441,407.24

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

	As at 31 December 2025 Audited	As at 31 December 2024 Audited
Opening balance	**2,666,635,696.36**	2,859,818,742.38
Provision for the year	**182,829,267.44**	141,867,196.01
Reversal for the year	**(263,427,227.40)**	(322,438,335.02)
Write-off for the year	**(5,239,371.77)**	(1,226,624.82)
Business combinations not under common control	**899,750.87**	26,130,224.02
Removed from upon disposal of subsidiaries	**-**	(37,515,506.21)
Other transfer out	**(19,739,044.60)**	-
Balance at the end of the Reporting Period	**2,561,959,070.90**	2,666,635,696.36

	31 December 2025				
	Balance of carrying amount		Provision for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Proportion (%)	
Individual provision for bad debts	**3,471,632,382.67**	**24.87**	**522,659,651.42**	**15.06**	**2,948,972,731.25**
Provision for bad debts by credit risk characteristics group	**10,490,182,781.10**	**75.13**	**2,039,299,419.48**	**19.44**	**8,450,883,361.62**
	13,961,815,163.77	**100.00**	**2,561,959,070.90**	**18.35**	**11,399,856,092.87**

	31 December 2024				
	Balance of carrying amount		Provision for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Proportion (%)	
Individual 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

22. INVENTORIES

Unit: RMB

	31 December 2025		
	Balance of carrying amount	Provision for decline in value/impairment	Carrying value
Raw materials	**1,964,721,741.40**	**16,310,074.41**	**1,948,411,666.99**
Items in production	**1,428,064,443.88**	**16,334,069.54**	**1,411,730,374.34**
Finished goods	**6,723,955,089.78**	**301,689,746.38**	**6,422,265,343.40**
Development costs	**35,933,065,467.28**	**865,621,861.83**	**35,067,443,605.45**
Products under development	**39,798,977,376.04**	**2,226,617,832.32**	**37,572,359,543.72**
Contract performance costs	**57,748,291.76**	**-**	**57,748,291.76**
	85,906,532,410.14	**3,426,573,584.48**	**82,479,958,825.66**

	As at 31 December 2024		
	Balance of carrying amount	Provision for decline in value/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 costs	80,496,575.36	1,316,487.72	79,180,087.64
	86,769,456,844.99	3,112,965,071.30	83,656,491,773.69

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

2025

	Opening balance	Provision for the year	Decrease in the year/Others			Closing balance
			Reversal	Write-off	Others	
Raw materials	28,970,532.05	1,388,312.63	-	(14,048,770.27)	-	16,310,074.41
Items in production	13,082,549.01	7,691,540.70	(7,127.88)	(4,432,892.29)	-	16,334,069.54
Finished goods	262,294,211.76	200,746,701.03	(80,880,080.02)	(80,471,086.39)	-	301,689,746.38
Development costs	1,465,928,637.01	-	-	-	(600,306,775.18)	865,621,861.83
Products under development	1,341,372,653.75	631,846,267.41	-	(340,827,528.22)	594,226,439.38	2,226,617,832.32
Contract performance costs	1,316,487.72	-	-	(1,316,487.72)	-	-
Total	3,112,965,071.30	841,672,821.77	(80,887,207.90)	(441,096,764.89)	(6,080,335.80)	3,426,573,584.48

2024

	Opening balance	Provision for the year	Decrease in the year/Others			Closing balance
			Reversal	Write-off	Others	
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 costs	–	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

* As at 31 December 2025, certain development projects of the Group have been completed, which was transferred from development costs to products under development, and the provision for decline in value of inventories of development costs of RMB600,306,775.18 was subsequently transferred to products under development. Some of products under development changed their uses from inventories to investment properties, and the relevant provision for decline in value of inventory transferred out amounted to RMB6,080,335.80.

As at 31 December 2025, the balance of development costs included the capitalised borrowing costs of RMB2,343,003,991.24 (31 December 2024: RMB2,481,923,119.68). The capitalised borrowing costs amounted to RMB588,552,425.87 in aggregate in 2025 (2024: RMB1,007,740,128.35), and the rate of interest capitalisation was 2.32% (2024: 2.91%).

23. SHORT-TERM LOANS

Unit: RMB

	As at 31 December 2025 Audited	As at 31 December 2024 Audited
Credit loans	**23,585,719,685.30**	24,297,398,062.05
Guaranteed loans *(Note)*	**2,034,900,000.00**	3,482,621,163.88
Secured loans	**30,000,000.00**	410,187,940.53
Pledged loans	**26,110,713.04**	144,955,282.68
	25,676,730,398.34	28,335,162,449.14

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

As at 31 December 2025 and 31 December 2024, the Group had no overdue borrowings.

24. BILLS PAYABLE

Unit: RMB

	As at 31 December 2025 Audited	As at 31 December 2024 Audited
Bank acceptance bills	**3,126,581,038.47**	1,986,042,605.54
Commercial acceptance bills	**1,023,601,137.40**	1,069,123,435.43
	4,150,182,175.87	3,055,166,040.97

As at 31 December 2025 , the Group had no outstanding bills payable that were due (31 December 2024: Nil).

25. ACCOUNTS PAYABLE

Unit: RMB

Accounts payable bear no interest and are generally settled within 30-360 days. An aging analysis of accounts payable based on the date of receipt of goods delivered by the suppliers or rendering of services from the suppliers is as follows:

	As at 31 December 2025 Audited	As at 31 December 2024 Audited
Within 1 year	**11,428,369,996.36**	16,755,683,271.11
1 to 2 years	**2,615,193,764.48**	2,136,863,970.92
2 to 3 years	**1,175,820,493.30**	952,615,068.78
Over 3 years	**1,353,637,610.70**	1,098,991,667.76
	16,573,021,864.84	20,944,153,978.57

26. SHORT-TERM FINANCING BONDS AND BONDS PAYABLE

Unit: RMB

	As at 31 December 2025 Audited	As at 31 December 2024 Audited
Short-term financing bonds	**1,000,644,383.56**	6,026,458,630.14
Corporate bonds	**14,601,734,490.65**	17,974,672,661.83
Medium-term notes	**7,103,525,616.48**	7,625,346,587.97
Balance as at the end of the year	**21,705,260,107.13**	25,600,019,249.80
Less: Bonds payable due within one year	**5,546,717,827.25**	10,686,586,603.49
Non-current portion	**16,158,542,279.88**	14,913,432,646.31
Analysis of maturity of bonds payable:		
Within 1 year (inclusive of 1 year)	**5,546,717,827.25**	10,686,586,603.49
1 to 2 years (inclusive of 2 years)	**3,198,266,163.05**	4,423,989,151.49
2 to 5 years (inclusive of 5 years)	**10,462,420,471.35**	5,991,837,849.34
Above 5 years	**2,497,855,645.48**	4,497,605,645.48
	21,705,260,107.13	25,600,019,249.80

27. LONG-TERM LOANS

Unit: RMB

	As at 31 December 2025 Audited	As at 31 December 2024 Audited
Credit loans	**62,483,674,597.35**	47,639,505,206.84
Guaranteed loans *(Note)*	**7,650,192,035.67**	7,633,197,111.36
Mortgaged loans	**4,643,512,777.19**	4,707,628,026.72
Pledged loans	**250,000,000.00**	750,000,000.00
Closing amount	**75,027,379,410.21**	60,730,330,344.92
Less: Long-term loans due within one year	**19,489,750,132.64**	9,831,272,623.91
	55,537,629,277.57	50,899,057,721.01

Note: As at 31 December 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 31 December 2025 Audited	As at 31 December 2024 Audited
Within 1 year	**19,489,750,132.64**	9,831,272,623.91
1 to 2 years	**23,061,207,284.99**	14,216,288,829.65
2 to 5 years	**28,669,455,942.30**	28,452,026,671.34
Over 5 years	**3,806,966,050.28**	8,230,742,220.02
	75,027,379,410.21	60,730,330,344.92

As at 31 December 2025, the above loans bore an interest rate of 2.0%-5.65% (31 December 2024: 1.20%-5.65%) per annum.

28. NET CURRENT ASSETS

Unit: RMB

	As at 31 December 2025 Audited	As at 31 December 2024 Audited
Current assets	**134,049,980,101.72**	133,195,464,924.72
Less: Current liabilities	**91,782,638,200.78**	96,778,952,257.62
Net current assets	**42,267,341,900.94**	36,416,512,667.10

29. TOTAL ASSETS LESS CURRENT LIABILITIES

Unit: RMB

	As at 31 December 2025 Audited	As at 31 December 2024 Audited
Total assets	**263,618,957,678.36**	263,995,720,701.11
Less: Current liabilities	**91,782,638,200.78**	96,778,952,257.62
Total assets less current liabilities	**171,836,319,477.58**	167,216,768,443.49

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors, I am pleased to present to you the annual results of the Company for 2025 and the operating results of the Company during the said period for your review.

Review

Results Performance

In 2025, the Group implemented the work requirements of the "One High, Double Win, Three Coordination" (一高雙贏三統籌) in an all-around way, and closely aligned with the theme of "Breakthrough Year of High-Quality Development". The Company joined efforts and forged ahead under pressure, overcame the impacts of multiple unfavorable factors, including the complex and volatile internal and external environment and a weaker-than-expected market recovery, and delivered a hard-won performance report.

During the Reporting Period, the Company recorded an operating revenue of RMB91,113.1 million, representing a year-on-year decrease of approximately 17.7%; net loss attributable to the shareholders of the parent company amounted to approximately RMB1,009.5 million, as compared with net loss attributable to the shareholders of the parent company of approximately RMB555.2 million in 2024; basic losses per share attributable to the shareholders of the parent company (after deducting other equity instrument indicators) amounted to approximately RMB0.19, representing an increase of approximately RMB0.04 or approximately 26.7% as compared with basic losses per share of approximately RMB0.15 in 2024.

Business Performance

Modern green building materials segment: In terms of the cement (concrete) business, the Company strengthened the management of costs, achieving cost reduction and efficiency increase of approximately RMB1.6 billion, and made every effort to fill the shortcomings of resources. During the year, mine resources increased by 400 million tonnes, aggregate production capacity increased by 13.5 million tonnes and concrete production capacity increased by 17.7 million tonnes. The Company completed the acquisition of the equity interests of Hengwei Cement (恒威水泥), with an increase of 2.2 million tonnes of cement production capacity. The Company accelerated the construction of an internal unified big market, made every effort to stabilize the market share and expand the increment, achieved significant improvement in the operation performance, and turned losses into profits. In terms of the modern building materials business, the Company continued to improve the integrated marketing model, and cooperated in winning the bid for key projects in the fields of education, healthcare, new infrastructure and aerospace. The revenue from the modern materials business was approximately RMB8.4 billion, representing a year-on-year increase of 74%. The Company expanded the international market through channel sharing and joint overseas development, and its business structure was continuously optimized.

Property development, operation and service segment: In terms of the property development business, the Company adhered to the policy of "stabilizing profits, grasping cash and adjusting structure", continued to strive to sell new projects and accelerate de-stocking, and made every effort in urban renewal, urban village reconstruction and commercial real estate operation. The Company carefully selected the best land and acquired the high-quality plot of Baoshan Village, Haidian District, with an increase in land reserves of 60,000 square meters during the year. The Company carried out pilot reform of commercial operation and comprehensive service business and achieved smooth operation; the new expansion (renewal) of office buildings and science and technology parks achieved remarkable results, and the hotel for vacations maintained steady operation. The Company made a new breakthrough in the revitalization of existing assets, and the Publicly Traded REIT of Intelligent Manufacturing Workshop was listed on the Shanghai Stock Exchange as first urban renewal industrial park REITs in China. The Company issued Shanyue Jiayuan Public Rental Housing CMBS.

In 2025, the Company insisted on marching toward new directions and goals, and its development momentum was stronger. The Company established the Scientific and Technological Innovation Strategy Advisory Committee, and employed experts and scholars including 11 academicians of the Chinese Academy of Sciences and the Chinese Academy of Engineering, gathering top wisdom for the Company's innovation transformation and promoting the deep integration of scientific and technological innovation and industrial innovation. The "State Key Laboratory of Materials Low-Carbon Recycling" was established and put into operation, and the "Beijing Key Laboratory of Future Urban Artificial Intelligence Metrology Technology" was successfully approved, promoting the construction of original technology sources in four directions. The Company was granted 476 patents in the whole year, and two national-level technologically advanced "little giant" enterprises, two national- level high-tech enterprises, two provincial-level individual champion enterprises and five provincial-level "technologically advanced" enterprises were newly certified. The Company held the 3rd Theme Forum of Party Building Leading Green and Low Carbon Development, and 7 units including Liushui Company (琉水公司) and Inner Mongolia Company (内蒙古公司) were included in the first public open units for environmental protection facilities in the national building materials industry. In 2025, the Group was included in the List of CCTV's "Top 100 State-owned Enterprise Pioneers of China ESG Listed Companies (2025)", continuously included in the Hang Seng Corporate Sustainability Index, and awarded the title of the Top Ten Report of State-owned Listed Companies in Beijing. In terms of environment, society and governance, the Company continued to be in a leading position in the domestic building materials industry.

Prospect

At present, the world's evolution of the changes unseen in a century is accelerating, and the influence of changes in the external environment is intensifying. The global economy is experiencing sluggish momentum with significant disruption in multilateralism and free trade being severely impacted. Domestic economic development and transformation are facing recurring problems and new challenges, including the arduous task of the shift from old to new growth drivers, the prominent contradiction between strong supply and weak demand, and weak market expectations. The building materials industry is still characterized by "continuous decline in demand", and the overall real estate market is still in continuous adjustment. We should not only face up to the difficult problems, but also seize the new strategic development opportunities. Firstly, in 2026, China will issue RMB1.3 trillion of ultra-long-term special treasury bonds, arrange RMB4.4 trillion of special bonds for local governments and issue RMB800 billion of new policy-oriented financial instruments, proceeds from which will be mainly used for supporting construction of major projects. This initiative will more vigorously support the "implementing of major national strategies and enhancement of security capacity in key areas" and provide strong support for the demand for building materials. Secondly, the government work report clearly states that the government will promote the construction of a safe, comfortable, green and intelligent "good house" in an orderly manner by implementing tailored policies based on cities to control increment, reduce inventory, and optimize supply, and puts forward for the first time to deepen the reform of the provident fund system. A series of policy measures will provide strong support for stabilizing the real estate market. Thirdly, technological breakthroughs have given rise to new tracks. The Company will deepen the expansion of "artificial intelligence+" and create a new form of intelligent economy. The technological innovation model represented by "AI + new materials" will open up new possibilities for the Company to break through the traditional boundaries and cultivate the second growth curve.

Faced with the above challenges and opportunities, we will adhere to "seeking progress while maintaining stability, seeking change amidst stability, and improving quality and increasing efficiency", practice our core mission of "manufacturing good materials, building good houses, and creating a better life", focus on value creation, and make every effort to achieve all the goals and tasks in 2026.

Modern green building materials segment: In terms of the cement (concrete) business, the Company will focus on industrial upgrading, optimize the distribution of regional resources, accelerate the construction of an integrated industrial system of "cement + aggregate + commercial concrete", control and reduce comprehensive costs, and enhance its core competitiveness. The Company will also deepen collaborative operation, establish a cross-regional market coordination mechanism, innovate marketing models and strategies, and make every effort in expanding product promotion and application fields and scenarios. In terms of the modern building materials business, the Company will adhere to market orientation, optimize business structure, and actively expand new market areas. The Company will adhere to innovation and transformation, accelerate the implementation of the market promotion and industrialization of new materials and new projects, cultivate and form more high-quality products with core competitiveness, and form "small but beautiful" and "specialized but refined" characteristic industrial clusters.

Property development and operation segment: In terms of the property development business, the Company will unswervingly transform to "fine development, strong operation and excellent service", build a new property development model, continue to expand new businesses such as urban renewal and brand agency construction, adhere to the standard of "BBMG Good Houses", dynamically balance the relationship between land acquisition and destocking as well as cash flow and profits, grasp the market rhythm, and guard against systemic risks. In terms of the operation business, the Company will flexibly adjust the operational strategy, innovate marketing methods and comprehensively improve the rental rate of various format projects. In terms of the property service business, the Company will insist on improving the quality and efficiency of services, and expand the new mode of "property service + life service".

Summary of Financial Information

	2025 *RMB'000*	2024 *RMB'000*	Change
Operating revenue	**91,113,100**	110,711,819	-17.7%
Operating revenue from principal business	**90,611,562**	109,754,864	-17.4%
Gross profit of principal business	**10,661,188**	10,884,697	-2.1%
Gross profit margin of principal business	**11.8%**	9.9%	Increase of 1.9 percentage points
Net loss attributable to the shareholders of the parent company	**1,009,467**	555,162	81.8%
Basic losses per share attributable to the shareholders of the parent company (before deducting interests on other equity instruments)	**RMB0.09**	RMB0.05	80.0%
Basic losses per share attributable to the shareholders of the parent company (after deducting interests on other equity instruments)	**RMB0.19**	RMB0.15	26.7%
Cash and bank balances	**16,224,112**	18,292,078	-11.3%
Current assets	**134,049,980**	133,195,465	0.6%
Current liabilities	**91,782,638**	96,778,952	-5.2%
Net current assets	**42,267,342**	36,416,513	16.1%
Non-current assets	**129,568,978**	130,800,256	-0.9%
Non-current liabilities	**82,920,659**	75,099,447	10.4%
Total assets	**263,618,958**	263,995,721	-0.1%
Equity attributable to the shareholders of the parent company	**71,024,254**	73,717,500	-3.7%
Debt ratio (total liabilities to total assets) (%)	**66.3**	65.1	Increase of 1.2 percentage points

PARTICULARS OF THE INDUSTRIES IN WHICH THE COMPANY OPERATED AND PRINCIPAL BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD

(I) Industries of the Company

(1) Cement industry

According to the Statistical Communique on the 2025 National Economic and Social Development issued by the National Bureau of Statistics of China, in 2025, the total fixed assets investment in the PRC was RMB49,110.9 billion, representing a decrease of 3.9% over last year. Fixed assets investment (excluding farmers) was RMB48,518.6 billion, decreased by 3.8%, of which the infrastructure investment decreased by 2.2% on a year-on-year basis and the real estate development investment decreased by 17.2% on a year-on-year basis. According to Digital Cement (數字水泥網), the national cement market showed a stressful situation of "declining volume, weakened price, and benefits under pressure". The aggregate output of cement for sizable enterprises amounted to 1.693 billion tonnes, representing a year-on-year decrease of 6.9%. From the perspective of both cement supply and demand, supply contraction has been insignificant, with inventories remaining at a high level; fixed assets investment has recorded negative growth for the first time, and cement demand continued to be weak. The average cement market price throughout the year followed an overall trend of "high in the early stage, low in the later stage, and oscillating downward at the bottom". Industry profits showed some recovery but remained at historically low levels.

(2) Property development industry

In 2025, the overall real estate market in China continued to show an adjustment trend. The trend of the market bottoming out and stabilizing has gradually taken shape, with policy measures forming a comprehensive support system centered on the core principles of controlling new supply, reducing inventory, and optimizing supply quality.

According to the data of the National Bureau of Statistics, in 2025, the investment in real estate development in China was RMB8,278.8 billion, representing a decrease of 17.2% over last year. Among them, the investment in residential properties was RMB6,351.4 billion, representing a decrease of 16.3%. The construction sites for corporate use of real estate development were 6,598.90 million sq.m., representing a decrease of 10.0% over last year, among which 4,601.23 million sq.m. were area of construction sites for residential properties, representing a decrease of 10.3%. The area of newly commenced construction of real estates was 587.70 million sq.m., representing a decrease of 20.4%. Of this, the area of newly commenced construction of residential properties was 429.84 million sq.m., representing a decrease of 19.8%. The area of completed real estate was 603.48 million sq.m., representing a decrease of 18.1%. Of this, the area of completed residential properties was 428.30 million sq.m., representing a decrease of 20.2%. The area of sold commodity housing was 881.01 million sq.m., representing a decrease of 8.7% over last year, among which the area of sold residential properties decreased by 9.2% over last year. The sales of commodity housing amounted to RMB8,393.7 billion, representing a decrease of 12.6%. Of this, the sales of residential properties decreased by 13.0%. As at the end of 2025, the area of commodity housing for sales was 766.32 million sq.m., representing an increase of 1.6% compared with last year. Of this, the area of residential properties for sales increased by 2.8%.

(II) Business of the Company during the Reporting Period

(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 with supporting 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 general contracting for prefabricated buildings, creating a coordinated development pattern for the whole industrial chain. Currently, the production capacity of clinker amounted to approximately 92 million tonnes (calculating the filed annual production capacity according to the new regulations in respect of replacement); the production capacity of cement amounted to approximately 180 million tonnes; the production capacity of ready-mixed concrete amounted to approximately 76 million cubic meters; the aggregate production capacity amounted to approximately 97.2 million tonnes; production capacity of grinding aids and admixtures amounted to approximated 0.28 million tonnes, the annual capacity for disposal of hazardous wastes and solid wastes was approximately 5.58 million tonnes (including construction waste). The Company's building materials products and construction and installation services were widely used in the construction of key projects, such as the Beijing's urban sub-center, Xiong'an New District and the Winter Olympic Games, and extended to popular areas such as East China, Northwest China, Sichuan-Chongqing and South China, which fully demonstrated the strength of BBMG's modern building materials business in terms of brand, quality and industrial chain and enhanced systematic application and coordinated marketing of its products.

Equipment manufacturing and trading services business: The Company is capable of construction and service for the whole industrial chain of a new dry-process cement clinker production line 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, heavy 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 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 holders 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 rating for its quality reputation and credit and has great influence and brand awareness across the industry.

Property development business: The Company developed more than 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 management business: At present, the Company holds investment properties of the area of 2,725,000 sq.m. such as high-end office buildings, commercial and industrial parks, of which 725,000 sq.m. are grade B and above high-end investment properties in core areas in Beijing, and manages properties of the area of 22.75 million sq.m.. Its professional capabilities, brand awareness, occupancy rate and revenue have led the industry in Beijing and even the PRC for years.

Summary of Business Information

	2025	2024	Change
1. Modern green building materials segment			
Aggregate sales volume of cement and clinker (in million tonnes)	**83.45**	84.40	-1.1%
Sales volume of ready-mixed concrete (in million cubic metres)	**15.69**	13.04	20.3%
Stone wool boards (in thousand tonnes)	**118.4**	93.6	26.5%
2. Property development and operation segment			
Booked gross-floor area ("**GFA**") (in thousand sq.m.)	**531.8**	1,102.7	-51.8%
Contracted sales GFA (in thousand sq.m.)	**507.7**	672.2	-24.5%
GFA of investment properties (in thousand sq.m.)	**2,724.9**	2,621.7	3.9%

In 2025, the Group continued to thoroughly implement the work requirements of the "One High, Double Win, Three Coordination" (一高雙贏三統籌), and closely focused on the theme of "Breakthrough Year of High-Quality Development". All cadres and employees have kept their mission firmly in mind, dared to take on responsibilities, and performed their duties diligently. Overcoming the impacts of multiple unfavorable factors, including the complex and volatile internal and external environment and a weaker-than-expected market recovery, the Company has delivered a hard-won performance report.

During the Reporting Period, the Company recorded operating revenue of approximately RMB91,113.1 million, of which operating revenue from its principal business amounted to approximately RMB90,611.6 million, representing a year-on-year decrease of approximately 17.4%; total profit amounted to approximately RMB32.4 million, representing a year-on-year decrease of approximately RMB423.7 million or approximately 92.9%; net loss amounted to approximately RMB1,506.6 million, representing a year-on-year decrease of approximately RMB27.6 million or 1.8%; and net loss attributable to the shareholders of the parent company amounted to approximately RMB1,009.5 million, representing a year-on-year increase of approximately RMB454.3 million or 81.8%.

1. Modern Green Building Materials Segment

In terms of the cement and concrete businesses, the Company further deepened reform comprehensively, and integrated them to generate new drivers through industrial integration. It adjusted and optimized the regional management model, achieving remarkable improvements in resource coordination and integrated operation. The Company accelerated the development of an internal unified market, refined marketing strategies, went all out to consolidate market share and expand incremental growth space, and witnessed a substantial jump in operating performance. **In terms of the modern building materials business**, the Company intensified the special campaign for systematic cost reduction and control, improved the integrated marketing model, and won bids for key projects in education, medical care, new infrastructure and other fields in cooperation. It also expanded into the international market, with its business structure continuously optimized. **In terms of the high-end equipment manufacturing industry,** the Company seized market opportunities to fully explore external markets, achieving growth in the value of newly signed contracts. The Company implemented refined management to continuously enhance product competitiveness. **In terms of the commerce and logistics business,** the Company focused on adjusting the structure, controlling risks, stabilizing scale and increasing efficiency around core businesses, so as to improve the quality of business operation.

During the Reporting Period, the Company recorded operating revenue from its principal business of modern green building materials segment of approximately RMB79,580.1 million, representing a year-on-year increase of approximately 1.7%, and the gross profit of its principal business of modern green building materials segment was approximately RMB8,063.9 million, representing a year-on-year increase of approximately 11.9%. During the Reporting Period, the sales of cement and clinker was approximately 83.45 million tonnes (exclusive of approximately 5.17 million tonnes from joint ventures and associates of the Company), representing a year-on-year decrease of approximately 1.1%, among which the sales of cement amounted to approximately 73.32 million tonnes (exclusive of approximately 4.63 million tonnes from joint ventures and associates), representing a decrease of approximately 2.8% as compared with the same period of last year, and the sales of clinker amounted to approximately 10.13 million tonnes (exclusive of approximately 0.54 million tonnes from joint ventures and associates), representing an increase of approximately 13.4% as compared with the same period of last year. The aggregated gross profit margin of cement and clinker was approximately 20.9%, representing a year-on-year increase of approximately 5.0 percentage points. The sales volume of concrete business amounted to approximately 15,690,000 cubic meters, representing a year-on-year increase of approximately 20.3%, and the selling price of concrete was RMB279.3 per cubic meter, representing a year-on-year decrease of approximately RMB25.5 per cubic meter. The gross profit margin of concrete was approximately 10.7%, representing a year-on-year increase of approximately 2.2 percentage points.

2. Property Development and Operation Segment

In terms of the property development business, the Company adhered to "stabilizing profits, grasping cash and adjusting structure", and the projects such as Yu • Dongxu (隅•東序), Yu • Xisong (隅•西頌), Huaxi Yunjin (花溪雲錦) and Yu • Haiyue (隅•海玥) were launched as scheduled.

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

No.	Name of projects (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	Class 2 residential land	28,593	60,045	3,364.0	Listing	2025.6.5	100%

In terms of the property management business, the operational quality improved while maintaining stability, with newly expanded and renewed lease area of office buildings and science and technology parks exceeded 220,000 sq.m., and hotel and vacation operations remained stable. The Company conducted reform pilots in commercial operations and comprehensive services and achieved smooth operation.

During the Reporting Period, the Company recorded operating revenue from its principal business of property development and operation segment of approximately RMB11,498.1 million, representing a year-on-year decrease of approximately 64.9%, and the gross profit of its principal business of property development and operation segment was approximately RMB2,637.8 million, representing a year-on-year decrease of approximately 36.4%. The booked GFA was 531,800 sq.m., representing a year-on-year decrease of approximately 51.8%, among which the booked GFA of commodity housing amounted to 426,000 sq.m., representing a year-on-year decrease of approximately 56.5%, and the booked GFA of policy-oriented housing was approximately 105,800 sq.m., representing a year-on-year decrease of approximately 14.9%. The total contracted sales amount was approximately RMB10,912.0 million, representing a year-on-year decrease of approximately 19.0%. The total contracted sales area was 507,700 sq.m., representing a year-on-year decrease of approximately 24.5%. As at the end of the Reporting Period, the Company's land bank was 5,463,700 sq.m. on an attributable basis.

As at the end of the Reporting Period, the Company held approximately 2,724,900 sq.m. of investment properties such as high-end office buildings, commercial and industrial parks, with a consolidated average occupancy rate of 75% and a consolidated average rental unit price of approximately RMB3.7/sq.m./day. 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 approximately 70% and a consolidated average rental unit price of approximately RMB8.2/sq.m./day.

RENTAL OPERATIONS OF THE MAJOR INVESTMENT PROPERTIES OF THE GROUP AS AT 31 DECEMBER 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	4,005.5	9.0	81%	37,088	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	4,669.8	8.8	93%	33,119	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	1,469.0	7.7	91%	25,772	2058
Tengda Plaza	West Second Ring Road, Beijing	No. 169, Xizhimenwai Street, Haidian District, Beijing	Commercial	68.0	2,110.0	7.7	39%	31,029	2045
Jin Yu Building Tower A	West Second Ring Road, Beijing	No. 129, Xuanwumen West Street, Xicheng District, Beijing	Commercial	41.0	1,630.0	9.3	39%	39,756	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	10.1	82%	38,673	2052
Jianda Building	East Second Ring Road, Beijing	No. 14, Dongtucheng Road, Chaoyang District, Beijing	Commercial	39.3	1,150.0	5.9	84%	29,254	Note 2, 3
Phase 1 of Hi-tech Industrial Park	South Sixth Ring Road, Beijing	No. 3 Courtyard, Qingxiang North Road, Daxing District, Beijing	Commercial	122.0	1,122.0	2.2	96%	9,197	2058
Phase 2 of Hi-tech Industrial Park	South Sixth Ring Road, Beijing	No. 3 Courtyard, Qingxiang North Road, Daxing District, Beijing	Commercial	101.0	543.0	2.3	50%	5,376	2058
Phase 2 of Hi-tech Industrial Park	South Sixth Ring Road, Beijing	No. 3 Courtyard, Qingxiang North Road, Daxing District, Beijing	Commercial	48.0	373.0	1.8	100%	7,771	2058
Phase 2 of Intelligent Manufacturing Workshop	North Fifth Ring Road, Beijing	No. 27, Jiancaichengzhong Road, Xisanqi, Haidian District, Beijing	Commercial	45.0	394.6	5.4	92%	8,769	2045
Subtotal				811.3	19,052.5				
Other properties	Beijing and Tianjin Municipality			1,913.6	28,813.9				
Total				2,724.9	47,866.4	3.7	75%	17,566	

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 OF BUSINESS, ASSETS, LIABILITIES AND CASH FLOWS FOR THE REPORTING PERIOD

1. Principal business operations

Unit: RMB million

	Operating revenue from principal business	Operating cost of principal business	Gross profit margin of principal business (%)	Increase or decrease in operating revenue from principal business compared with last year (%)	Increase or decrease in operating cost of principal business compared with last year (%)	Increase or decrease in gross profit margin of principal business compared with last year
Modern green building materials segment	79,580.1	71,516.2	10.1	1.7	0.6	Increase of 0.9 percentage point
Property development and operation segment	11,498.1	8,860.4	22.9	-64.9	-69.0	Increase of 10.3 percentage points
Eliminations	(466.6)	(426.2)				
Total	90,611.6	79,950.4	11.8	-17.4	-19.1	Increase of 1.9 percentage points

2. Investment properties measured at fair value

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

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

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

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

The Group has engaged a valuer with relevant qualifications to make valuation on the fair value of the investment properties of the Group using the income approach 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 decreased by approximately RMB274.9 million or approximately 40.7% year-on-year to approximately RMB400.8 million, accounting for 1,811.3% of the profits before tax (accounting for 148.1% of the profits before tax for the same period of last year). The change was mainly due to the year-on-year decrease of valuation appreciation of investment properties held by the Company.

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

(1) Selling expenses were approximately RMB2,333.9 million, representing a year-on-year increase of approximately RMB0.6 million.

(2) Administrative expenses were approximately RMB6,611.8 million, representing a year-on-year decrease of approximately RMB36.6 million or approximately 0.5%.

(3) Finance costs were approximately RMB2,629.6 million, representing a year-on-year decrease of approximately RMB167.6 million or approximately 6.0%.

(4) Other gains were approximately RMB816.2 million, representing a year-on-year increase of approximately RMB211.5 million or approximately 35.0%. Such increase was mainly due to the year-on-year increase of income from subsidies recognised by the Company during the Reporting Period.

(5) Investment gains were approximately RMB504.8 million, representing a year-on-year decrease of approximately RMB558.3 million or approximately 52.5%. Such decrease was mainly due to the year-on-year decrease in profits of shareholding enterprises of the Company during the Reporting Period as a result of the impact of market factors.

(6) Gains from changes in fair value were approximately RMB403.8 million, representing a year-on-year decrease of approximately RMB334.7 million or approximately 45.3%. Such decrease was mainly due to the year-on-year decrease of value gains of certain investment property projects of the Company during the Reporting Period as a result of the impact of the downturn of the real estate market.

(7) Credit impairment gains, net were approximately RMB78.0 million, as compared with credit impairment gains, net of approximately RMB222.2 million for the same period of last year, representing a year-on-year decrease of approximately RMB144.3 million or approximately 64.9%. Such decrease was mainly due to the fact that cement enterprises of the Company recovered accounts receivable for the same period and reversed provision for impairment during the Reporting Period.

(8) Gains on disposal of assets were approximately RMB1,993.0 million, representing a year-on-year increase of approximately RMB794.0 million or 66.2%. Such increase was mainly due to the fact that the Company advanced asset revitalization during the Reporting Period, leading to a year-on-year increase in disposal of assets.

4. Analysis of assets and liabilities

Unit: RMB

Items	Amount at the end of the Reporting Period	Percentage of amount at the end of the Reporting Period over total assets (%)	Amount at the end of last period	Percentage of amount at the end of last period over total assets (%)	Change (%)	Explanations
Bills receivable	497,663,264.11	0.19	807,322,521.79	0.31	-38.36	(1)
Other receivables	7,526,941,670.00	2.86	5,419,560,183.17	2.05	38.88	(2)
Non-current assets due within one year	1,722,372,285.64	0.65	766,358,369.93	0.29	124.75	(3)
Debt investments	30,534,002.82	0.01	858,770,664.33	0.33	-96.44	(4)
Other debt investments	467,784,342.37	0.18	0.00	0.00	100.00	(5)
Long-term receivables	1,444,633,484.74	0.55	2,089,895,870.55	0.79	-30.88	(6)
Investment in other equity instruments	998,410,315.35	0.38	654,486,823.56	0.25	52.55	(7)
Other non-current financial assets	798,123,889.85	0.30	489,561,240.56	0.19	63.03	(8)
Deferred income tax assets	1,899,441,899.76	0.72	2,917,647,914.59	1.11	-34.90	(9)
Bills payable	4,150,182,175.87	1.57	3,055,166,040.97	1.16	35.84	(10)
Short-term financing bonds payable	1,000,644,383.56	0.38	6,026,458,630.14	2.28	-83.40	(11)
Long-term payables	448,900,721.25	0.17	259,601,004.90	0.10	72.92	(12)
Other non-current liabilities	1,658,378,539.18	0.63	0.00	0.00	100.00	(13)
Specific reserve	32,946,315.73	0.01	79,233,220.09	0.03	-58.42	(14)

Explanations:

(1) Bills receivable: A decrease of approximately 38.36% from the beginning of the Reporting Period, mainly due to the Company's continuous improvement of the efficiency of fund utilization, intensification the endorse and transfer of bills receivable and an increase in receipt of supply chain.

(2) Other receivables: An increase of approximately 38.88% from the beginning of the Reporting Period, mainly due to the fact that the Company advanced asset revitalization and the relocation compensation receivable increased.

(3) Non-current assets due within one year: An increase of approximately 124.75% from the beginning of the Reporting Period, mainly due to the reclassification of the Company's some long-term receivables and debt investments bonds near maturity to non-current assets due within one year.

(4) Debt investments: A decrease of approximately 96.44% from the beginning of the Reporting Period, mainly due to the reclassification of the Company's some debt investments approaching maturity to non-current assets due within one year.

(5) Other debt investments: An increase of 100% from the beginning of the Reporting Period, mainly due to the fact the Company changed the purpose of some debt investments to holding for trading and classified them to other debt investments.

(6) Long-term receivables: A decrease of approximately 30.88% from the beginning of the Reporting Period, mainly due to the reclassification of the Company's finance lease payment and loans to related parties approaching maturity according to the agreement to non-current assets due within one year.

(7) Investment in other equity instruments: An increase of approximately 52.55% from the beginning of the Reporting Period, mainly due to the fact that the Company continued to advance the reasonable allocation of assets and increased strategic investments in other equity of non-listed companies.

(8) Other non-current financial assets: An increase of approximately 63.03% from the beginning of the Reporting Period, mainly due to the increase in investment in financial assets of Company.

(9) Deferred income tax assets: A decrease of approximately 34.90% from the beginning of the Reporting Period, mainly due to the reversal of a portion of deferred income tax assets of the Company on a prudent basis.

(10) Bills payable: An increase of approximately 35.84% from the beginning of the Reporting Period, mainly due to the Company's continuous optimization of settlement method, leading to a year-on-year increase in the scale of bills payment.

(11) Short-term financing bonds payable: A decrease of approximately 83.40% from the beginning of the Reporting Period, mainly due to the super short-term financing bonds issued in the previous period successively redeemed and paid during the Reporting Period.

(12) Long-term payables: An increase of approximately 72.92% from the beginning of the Reporting Period, mainly due to the increase in payment for mining rights and finance lease payables of the Company.

(13) Other non-current liabilities: An increase of approximately 100.00% from the beginning of the Reporting Period, mainly due to successful issuance of CMBS during the Reporting Period.

(14) Specific reserve: A decrease of approximately 58.42% from the beginning of the Reporting Period, mainly due to the fact that the production safety cost utilized during the Reporting Period exceeded the provision.

5. Cash flows

During the Reporting Period, a net decrease of approximately RMB1,223.9 million in cash and cash equivalents was recognized in consolidated financial statements of the Company. Such decrease was the combined effect of: (i) the net cash inflows generated from operating activities of approximately RMB1,185.7 million, as compared with net cash outflows of approximately RMB5,316.1 million for the same period of last year, which was mainly due to the year-on-year increase of the net cash inflows from the international trade business during the Reporting Period; (ii) the net cash outflows generated from investment activities of approximately RMB755.3 million, as compared with net cash outflows of approximately RMB2,008.7 million for the same period of last year. The decrease in net outflows was mainly due to the increase in the net cash received as a result from the Company's advancement of asset revitalization during the Reporting Period; (iii) the net cash outflows generated from financing activities of approximately RMB1,660.4 million, as compared with the net cash inflows of approximately RMB8,413.9 million for the same period of last year, which was mainly due to the repayment of debts during the Reporting Period; and (iv) the exchange realignment of approximately RMB6.1 million.

Core Competence Analysis

The Company served the development of the capital in the new era, served the construction of "four centers" of Beijing, improved the level of "four services" to make dedicated efforts in the development of core areas of the capital in the new era, practiced its core mission of "manufacturing good materials, building good houses, and creating a better life" and demonstrated 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. The Company is built to be an eco-oriented enterprise, with strengthened stability of industrial chain and supply chain to promote comprehensive, synergistic and high-quality industrial development.

The core competitiveness of the Company is detailed as follows:

(I) Competitive edge in coordinated development of industrial chain

The Company relied on the vertically integrated layout of "good materials, good houses, and good services" to establish a closed-loop, full-industry-chain systematic development model. It ranks among the top players in the industry in terms of industrial scale, regional layout and product categories, with a chain-leader effect. Based in the core regions of China's coordinated regional development, the Company has formed a nationwide industrial layout. With rich industrial scenarios, extensive market coverage and comprehensive capabilities to serve national strategies, the Company has built a unique core competitiveness. The Company continued to deepen all-round strategic cooperation, expanded the implementation and effectiveness of collaborative outcomes in various fields, and achieved complementary advantages and win-win results with partners. Through the efficient coordination of internal and external resources, the Company promoted synergistic collaboration and complementary strengths across business segments, demonstrating strong resource integration and industrial coordination capabilities. Meanwhile, the Company established an efficient management and control system through deepening reform, and continuously improved the modern corporate system, providing a solid guarantee for the sustained and steady operation of its core businesses.

(II) Competitive edge in science and technology innovation engine

The Company has always placed scientific and technological innovation at the core of its overall development, and vigorously promoted the implementation of major tasks including the construction of a scientific and technological innovation system, platform development, talent introduction, and project research. The Company established a Strategic Advisory Committee for Scientific and Technological Innovation, and engaged experts and scholar including 11 academicians of the two academies to provide guidance, direction-setting and advice for its key projects. The Company continuously advanced the development of innovation platforms. The "State Key Laboratory of Materials Low-Carbon Recycling" has been completed and put into operation. The four original technology sources have achieved results while under construction, with innovation achievements generating revenue of more than RMB90 million. In 2025, the Company invested RMB3.4 billion in R&D, with continuous improvement in R&D intensity, and added 2 national-level high-tech enterprises and 2 national-level technologically advanced "little giant" enterprises. The Company has taken the lead in undertaking 5 key tasks of Beijing's "AI + New Materials" initiative. The revenue of the new materials industry increased by 74% year-on-year, accounting for 23% of the manufacturing revenue. In 2025, the affiliated enterprises won 4 provincial science and technology awards and 7 science and technology awards of industry association; applied for 785 new patents (including 222 invention patents); 476 patent authorization (including 107 invention patents) were obtained; 45 software copyrights were obtained; 11 achievements reached the international advanced level or above.

(III) Competitive edge in green and sustainable development:

The Company thoroughly implemented the national "carbon neutrality and carbon emission peaking" strategic deployment, and fully promoted the coordinated development of "carbon reduction, pollution reduction, green expansion, and growth", basically establishing a full-chain green product system covering structural materials, wall materials and decoration materials. The Company also established a supervision and inspection mechanism for energy conservation and carbon reduction, effectively improving the refinement level of the Company's carbon management, and implemented the expansion and upgrade of the dual carbon information management platform, realizing full coverage of the Company's major carbon-emitting industries. Five key emission units under the Company have efficiently completed the annual carbon emissions trading, achieving low-cost performance and the preservation and appreciation of carbon emission rights. The Company has achieved continuous breakthroughs in green transport capacity: the Zhaikou Railway Park has been opened and put into operation, adding 1.5 million tonnes of green transport capacity. The Company continued to optimize the energy structure, and the fuel substitution rate in the cement industry reached approximately 14%. The Company built sixteen new photovoltaic projects and realized grid-connected power generation during the year. The Company vigorously promoted passive ultra-low energy buildings, adding 100,000 square meters of such floor area, strongly supporting the green transformation of the Company's construction industry. In 2025, the proportion of prefabricated buildings in new construction exceeded 80%, and all the application ratio of green building materials met the local green building requirements, practicing the organic integration of "green expansion" and "growth". Thirty-four enterprises obtained subsidies for energy conservation and carbon reduction and green financial support of nearly RMB200 million.

(IV) Competitive edge in industry-finance integration

The Company promoted industry-finance integration to support the development of its main businesses. 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 cumulative weighted financing cost of the Company was 2.8%. The Company successfully issued bonds of RMB19.66 billion. The Company successfully issued Shanyue Jiayuan Public Rental Housing CMBS with a scale of RMB1.66 billion, marking it the largest financing scale among similar projects undertaken by Beijing municipal state-owned enterprises, and successfully issued the first urban renewal industrial park REITs in China, providing new practical experience for revitalizing state-owned assets and optimizing the capital structure of state-owned enterprises. 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 Communist Party of China Central Committee, on the building of world-class enterprises with outstanding products and brands, leading innovation and modern governance, facilitated full implementation of the Company's C-end 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 has effectively enhanced its brand image and demonstrated the responsibilities and feelings of the Company by actively fulfilling its social responsibilities, fulfilling the obligation of rural revitalization and assistance, and carrying out environmental protection actions and public welfare donations. Good brand awareness and reputation have created a good cultural atmosphere and provided intellectual support for creating a new situation of BBMG's high-quality development.

DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT

(1) Industry Pattern and Trend

In 2025, faced with the complex changes in the domestic and overseas economic environment, China implemented more proactive and effective macro policies, and advanced the construction of a unified national market in depth. The national economy performed amid pressure, moving toward new drivers and higher quality, achieving new progress in high-quality development. The major goals and tasks of economic and social development were successfully accomplished, bringing the "14th Five-Year Plan" to a successful conclusion. China's economy has a solid foundation, numerous advantages, robust resilience and great potential, and the long-term favorable supporting conditions and basic trend remain unchanged. The strengths of China's system of socialism with Chinese characteristics, ultra-large market, complete industrial system, and abundant talent resources have become even more prominent.

During the "15th Five-Year Plan" period, there are still four main opportunities in the building materials and real estate industries.

Firstly, national policies provide a stable internal environment for development. The combined effects of policies such as deepening the reform of state-owned enterprises, developing a modern industrial system, and achieving self-reliance and strength in science and technology continue to release policy dividends, creating a stable development environment and policy system guarantee for the Company to undergo transformative change and embrace new opportunities. Meanwhile, China's ultra-large market, consisting of over 1.4 billion people and featuring a middle-income group of more than 400 million people, provides continuous momentum for optimizing industrial and supply chains.

Secondly, the development of a strong domestic market drives major investment and consumption growth. The construction of a unified national market further stabilized development expectations, and measures including "New Four Modernizations (new urbanization, industrialization, informatization, and agricultural modernization)" and "supporting major national strategies and building up security capacity in key areas" have fostered long-term, stable and sizeable market demand in new infrastructure, urban renewal, green transition and public infrastructure construction, helping the cement and other building materials industries overcome difficulties and improve their outlook. The construction of "good houses" and the optimized supply of government-subsidized housing drove the transformation of the real estate development model, which is expected to stimulate the rigid and improved housing demand and promote high-quality supply and housing consumption upgrading.

Thirdly, the development of new quality productive forces leads all-round reform and restructuring. The Fourth Industrial Revolution, represented by artificial intelligence, quantum technology and other fields, has brought about an all-round restructuring of social production modes. The deep integration of scientific and technological innovation with industrial innovation helped build a modern industrial system with advanced manufacturing industry as the backbone, driving the optimization, upgrading and revitalization of traditional industries. AI combined with new materials has revolutionized the scientific research paradigm, facilitating rapid breakthroughs in key fields based on scenario advantages, opening up new avenues for future industries and creating multiple opportunities to cultivate a second growth curve.

Fourthly, national strategies provide guidance for future development directions and paths. The in-depth advancement of national regional strategies offers a strategic path for optimizing industrial layout, enhancing industrial value in core regions and building a new industrial structure. During the "15th Five-Year Plan" period, Beijing will place greater emphasis on optimizing and upgrading its capital functions, strengthening innovation-driven development, and key tasks such as building a "global benchmark city for the digital economy" and an "AI pioneer city". These efforts will create favorable conditions for the Company to align with the capital's high-level demands and enhance its own strategic functions. The high-quality "Belt and Road" cooperation will help the Company's various businesses explore new "blue ocean" markets overseas.

(2) The Company's Development Strategy

Guided by the development of the capital in the new era, the Company actively integrates into the new pattern of linkage development of Beijing's "five initiatives", serves the construction of the capital's "four centers", and thoroughly implements the work requirements of the "One High, Double Win, Three Coordination" (一高雙贏三統籌), practices its core mission of "manufacturing good materials, building good houses, and creating a better life", adheres to the general principle of seeking progress while maintaining stability, further deepens reform, effectively prevents and resolves risks, and leads the development of new quality productive forces through scientific and technological innovation, so as to strengthen and optimize its core businesses, foster and develop new industries, and accelerate the building of a modern industrial system with BBMG's characteristics.

Firstly, strengthen and optimize main businesses on an ongoing basis. In terms of the building materials segment, the Company will explore markets externally and reduce costs internally, make solid efforts in the leading role of core regional markets such as the Beijing-Tianjin-Hebei region, create a value highland and take the lead in winning the "war of economic recovery". Through focusing on industrial upgrading and optimizing the allocation of regional resources, the Company will accelerate the construction of an integrated industrial system of "cement + aggregate + commercial concrete", control and reduce comprehensive costs, and enhance core competitiveness. The Company will innovate marketing models and strategies, and step up efforts in product promotion as well as expansion of application fields and scenarios. The Company will coordinate the mine resource reserves, integration of regional markets, transformation of production lines with no or low efficiency and achievement of production and efficiency targets for new projects. The property development industry will transform towards "refining development, strengthening operation and improving services" to establish a new development model for property development. The Company will pay equal attention to improved housing and government-subsidized housing, deeply participate in urban renewal, seize the opportunity of "Three Major Projects" and expand the new path of real estate development. Besides, the Company will comprehensively strengthen the operation capacity of various businesses such as self-owned buildings, hotels, commercial complexes and parks, and continue to improve the service quality.

Secondly, develop new quality productive forces. The Company will improve scientific and technological innovation system, enhance the quality and efficiency of scientific and technological innovation, deepen the integrative development of the innovation chain, industrial chain and value chain, accelerate the development and expansion of the modern materials industry, and promote green and intelligent transformation. The Company will speed up achievements transformation and industrial application, promote the large-scale application of new materials in major projects, high-end manufacturing, green and low-carbon development and other scenarios, and accelerate the formation of product clusters with market competitiveness. The Company will adhere to green low-carbon development, vigorously promote the replacement of raw and fuel materials, and propel the technological transformation of energy conservation and carbon reduction in an orderly manner, with the aim to build technology reserves for achieving carbon neutrality. The Company will also accelerate the scenario-based innovation of intelligent factories, intelligent parks and digital supply chain, and fuel the transformation and upgrading of traditional industries with digital economy.

Thirdly, improve lean management level. The Company will make more efforts in benchmarking industry-leading enterprises, improve quality in the development of main businesses, tap potential in cost control and expand increment in internal coordination. The company will strengthen cost control and create competitive strength featuring low costs. The Company will further enhance the scientific decision-making level of investment projects to ensure precise and efficient project investments. The Company will also continue to deepen the precise implementation of the reform of state-owned enterprises, and focus on improving its professional capabilities in the control, guidance and services in strategic guidance, layout optimization, resource allocation, capital operation, risk management and control as well as assessment and incentives, etc.

Fourthly, ensure security in the pursuit of development. The Company will adhere to the bottom line thinking, strengthen mechanism construction, and effectively prevent various risks. The Company will strengthen risk management and control of trading business, and continuously improve its capabilities in identifying and preventing non-performing business. The Company will pay close attention to the management of the whole process of bidding and procurement, and consolidate the defense line of compliance. Besides, the Company will closely monitor the fulfillment of safety and environmental protection responsibilities, thoroughly carry out investigation and rectification of hidden dangers in safety and environmental protection, and ensure high-quality development with high-level safety.

Fifthly, insist on exercising full and rigorous governance over the Party Organization and management of enterprises. The Company will strictly implement the "three-important and one-big" decisions, rules and standards, conduct ex ante research, and consolidate Party leadership on all fronts in the improvement of modern corporate governance of state-owned enterprises with Chinese characteristics.

Sixthly, adapt to new development trends rapidly. The Company will further emancipate minds, change traditional views, adapt to the work requirements brought by new trends, new changes and new tasks as soon as possible, strengthen front-line management and carry out researches and studies in a practical way, in a bid to ensure comprehensive resolution of actual problems. The Company will enhance service awareness and build a strong first-class head office. The Company will strengthen work implementation, focus on major conflicts, and make targeted efforts to coordinate all key tasks in an efficient manner. The Company will also carry forward the fighting spirit, and make long, tenacious efforts to tackle long-term and systematic work such as technological innovation, digital intelligent transformation as well as peak carbon dioxide emissions and carbon neutrality.

(3) Business Plan

In 2026, the entire Company will boost development confidence, face up to risks and challenges, take the initiative to assume its responsibilities and dare to pioneer and forge ahead, focusing on translating multiple competitive advantages into development momentum, and promoting the Group's development to improve while maintaining stability.

(4) Possible risks

1. External environment risk

The world is undergoing unprecedented changes in a century, with intensifying rivalry among major powers, a restructuring of the global economic order, and the transition of China's domestic economy from old to new growth drivers — all intertwining to create a complex external environment for the Company. Internationally, geopolitical tensions and rising trade protectionism, coupled with intensifying China-US competition and the backlash against globalization, have heightened uncertainties in the supply chain, directly driving up risks for the Company's import and export trade as well as overseas investment. Domestically, significant changes have taken place in the supply-demand relationship of the real estate market, with large-scale incremental construction shifting to stock improvement through urban renewal. Coupled with declining demand structure brought by negative population growth, aging population and low fertility, the overall demand across the building materials and real estate supply chains is under pressure, which places higher requirements on the Company's cost control and refined operation capabilities.

Responses: China's economy has great development resilience and potential, and China will remain on a positive trajectory over the long run. The Company will regard high-quality development as its primary task, focus on its core business, align with the direction of new industrialization, advance the in-depth integration of scientific and technological innovation with industrial innovation, accelerate the transformation and upgrade of traditional industries, actively cultivate and expand emerging and future industries, resolutely take the initiative in developing new quality productive forces, and build a modern industrial system with distinctive characteristics of BBMG marked by "good materials, good houses, and good services".

2. Policy risk

With the further implementation of the national "peak carbon dioxide emissions and carbon neutrality" strategy and the continuous implementation of the corresponding national and local policies, and coupled with the impact of multiple industrial policies such as the accelerated phase-out and elimination of outdated production capacities, reduction in coal-fired power, dual control of carbon emissions and adjustments to the transportation structure, the building materials industry ushers in profound structural adjustments and transformational development. The real estate industry policy will be more precise and vigorous, striving to push the real estate market to stop falling and stabilize and foster a virtuous cycle. Different cities implemented tailored policies based on its actual situation, further adjusted and reduced the restrictive real estate measures and made efforts to advance the renovation of villages in cities and dilapidated houses. Meanwhile, the state is steadily developing the basic institutions related to real estate development, and accelerating the establishment of a new development model that equally emphasizes rental and purchase while balancing new construction and existing stock. The Ministry of Housing and Urban-Rural Development has issued guiding opinions on improving housing quality, which clearly specify that a "good houses" system covering diverse housing needs will be built by 2030, pointing out the direction for high-quality development of the industry.

Responses: In view of the above risks, the Company will pay close attention to cement policy changes and industry trends, take scientific and technological innovation as the driving force to promote traditional industries towards low-carbon and high-end development, actively explore new measures for energy conservation, emission reduction and carbon reduction, comprehensively accelerate the pace of green and low-carbon transformation, and reduce carbon emissions through measures such as production capacity replacement, improvement of energy utilization efficiency and improvement of the replacement rate of raw and fuel materials . Besides, the Company will promote the application of advanced energy-saving and environmental protection technologies, and accelerate industrial transformation and upgrading through digital and intelligent transformation, so as to promote the Company's green and low-carbon development. In terms of the real estate business, the Company will deeply analyze real estate-related policies, properly and fully take advantage of policy benefits, seize opportunities, adhere to the principle of "manufacturing good materials, building good houses and creating a better life", create a new model of real estate business development, actively participate in the construction of government-subsidized housing and urban renewal, revitalize land resources and accelerate collection of funds. Adhering to the "BBMG good houses" standard, the Company will strike a balance among cash flows, profits and risks, follow the principles of "One City, One Policy" and "One Project, One Policy", stay attuned to market dynamics, and make solid efforts to destock inventory properties. The Company will further enhance product strengths, and minimize costs to improve profitability through lean management.

3. *Capital operation risk*

In 2025, China implemented a targeted, effective and moderately loose monetary policy. The People's Bank of China further strengthened the effectiveness of counter-cyclical and cross-cyclical adjustments, giving full play to the dual roles of various monetary policy tools in aggregate adjustment and structural guidance. China continuously increased support for inclusive finance, green development, scientific and technological innovation, infrastructure construction and other core areas and weak links of the national economy, facilitated regional coordinated development through comprehensive measures, and established an adaptive monetary and financial ecosystem to promote the sustained recovery and improvement of economic operation. Meanwhile, China's macro leverage rate remained at a high level and the risk prevention of debts of local government and corporate debts faced ongoing challenges, coupled with the intensified external economy and trade game, two-way fluctuation of RMB exchange rate and other external factors, pressure on turnover of capital in the manufacturing and real estate industries remained pronounced.

Responses: Based on the actual situation of its business operation, the Company continued to optimize the financing structure, expanded financing channels, and raised funds at low cost to ensure the safety and stability of the Company's capital chain. The Company strengthened the full-process control, continuously advanced the reduction of "accounts receivable and inventory", accelerated the pace of inventory de-stocking and strove to reduce accounts receivable, thereby enhancing the efficiency of capital turnover. Focusing on the improvement of operating efficiency and enhancement of net cash flow from operating activities, the Company strictly controlled all kinds of fund expenditure, scientifically coordinated the allocation and utilization of funds, and enhanced the efficiency of fund utilization. Besides, the Company gave full play to the professional advantages of 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) to constantly optimize the overall debt structure of the Company, providing a solid foundation for its coordinated fund operation and stable development.

4. Market competition risk

In 2025, cement demand continued to decline due to factors such as ongoing bottoming out of real estate investment and reduced infrastructure investment, further exacerbating supply-demand imbalances. Coupled with fierce market competition, overall cement prices fluctuated downward, and the cement industry underwent sustained and in-depth adjustment. However, benefiting from lower coal prices in the first half of the year, production costs declined simultaneously, leading to a certain degree of profit recovery for the industry throughout the year. The real estate industry bid farewell to its rapid growth stage and entered a new cycle of steady, sound and high-quality development. Artificial intelligence is empowering industries across the board, exerting a disruptive impact on traditional manufacturing models, product forms and service systems. The establishment of the "good houses" standard and the advancement of urban renewal initiatives not only set higher requirements for the functionality, quality, green performance and intelligence of building materials products, but also gave birth to a revolutionary shift in business models from single product suppliers to comprehensive solution providers.

Responses: For the cement business, the Company gave play to the leading role of large enterprise, actively participated in industry governance and built an open, shared, collaborative and efficient industrial ecosystem, promoting the industry towards high-quality development. The Company focused on the market traction in core areas such as Beijing, Tianjin and Hebei to create a value highland. The Company accelerated the adjustment of capacity structure and systematically implemented a capacity optimization strategy of phasing out outdated capacity while expanding new capacity. The Company benchmarked against first-class enterprises, strengthened process and technological innovation by improving refined, digital and intelligent operation, and built a competitive advantage of "low cost + differentiation". The Company promoted product innovation and service upgrading, intensified product promotion and the expansion of application fields and scenarios, and achieved stable volume, price increases and efficiency gains amid intense market competition. The Company also strengthened the research, development and application of low-carbon technologies and increased the proportion of renewable energy. In its real estate development business, the Company focused on the "good houses" standard, systematically transformed and innovated the technological, quality, safety and green strengths accumulated over the years, and promoted the standardized and systematic development of BBMG's "good houses". The Company strengthened refined control and management over operational nodes, established a hierarchical management and control system for the whole project cycle, and further enhanced refined and standardized operation and management. The Company continuously expanded new businesses such as urban renewal and brand construction management to foster new economic growth drivers. The Company broadened channels, revitalized resources, increased land resource reserves, and achieved long-term, sound and sustainable development.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group's total assets amounted to approximately RMB263,619.0 million, representing a decrease of approximately 0.1% from the beginning of the Reporting Period, of which liabilities amounted to approximately RMB174,703.3 million, minority interests amounted to approximately RMB17,891.4 million and total equity attributable to the shareholders of the parent company amounted to approximately RMB71,024.3 million. Total equity attributable to shareholders amounted to approximately RMB88,915.7 million, representing a decrease of approximately 3.5% from the beginning of the Reporting Period. As at 31 December 2025, the Group's net current assets were approximately RMB42,267.3 million, representing an increase of approximately RMB5,850.8 million from the beginning of the Reporting Period. Debt ratio (total liabilities to total assets) as at 31 December 2025 was approximately 66.3%, representing an increase of approximately 1.2 percentage points from the beginning of the Reporting Period.

As at 31 December 2025, the Group's cash and bank balances amounted to approximately RMB16,224.1 million, representing a decrease of approximately RMB2,068.0 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 31 December 2025, the Group's interest-bearing bank borrowings amounted to approximately RMB100,704.1 million (as at 31 December 2024: approximately RMB89,065.4 million) and bore fixed interest rates. Of these borrowings, approximately RMB45,166.5 million interest-bearing bank borrowings were due for repayment within one year, representing an increase of approximately RMB7,005.5 million from the beginning of the Reporting Period. Approximately RMB55,537.6 million interest-bearing bank borrowings were due for repayment after one year, an increase of approximately RMB4,638.6 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 shareholders' 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 end of the Reporting Period, the Company has strictly complied with and fulfilled the above undertakings.

DISCLOSEABLE TRANSACTIONS DURING THE REPORTING PERIOD

During the Reporting Period, the Group had not conducted any transaction that was required to be disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") .

CONNECTED TRANSACTIONS DURING THE REPORTING PERIOD

During the Reporting Period, the Group had not conducted any connected transactions that were required to be disclosed pursuant to the Listing Rules.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

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

PLEDGE OF ASSETS

As at 31 December 2025, the Group's cash and bank balances and certain inventories, accounts receivable, bills receivable, fixed assets, investment properties, equity interest, land use rights, data resources, restricted cash arising from pre-sales of properties and special funds for mine reclamation amounting to RMB28,226.5 million in aggregate (as at 31 December 2024: RMB32,002.0 million) were pledged to secure short-term and long-term loans of the Group, which accounted for approximately 10.7% of the total assets of the Group (as at 31 December 2024: 12.1%).

CONTINGENCIES

Unit: RMB

		As at 31 December 2025	As at 31 December 2024
Provision of guarantee on housing mortgage to third parties	*Note 1*	**1,748,577,759.96**	5,389,952,018.45
Provision of guarantee on loans and others to third parties	*Note 2*	**630,000,000.00**	727,000,000.00
Provision of guarantee on loans and others to related parties	*Note 3*	**615,600,000.00**	425,000,000.00
		2,994,177,759.96	6,541,952,018.45

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. The guarantee 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 31 December 2025, Jidong Group, a subsidiary of the Group, provided guarantees with joint obligations on the borrowings of RMB630,000,000.00 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 RMB122,000,000.00. The guarantee will expire on 23 September 2029. BBMG Jidong Cement Co., Ltd., a subsidiary of the Group, provided guarantees with joint obligations on eight borrowings of RMB20,000,000.00, RMB10,000,000.00, RMB5,000,000.00, RMB15,000,000.00, RMB5,000,000.00, RMB5,000,000.00, RMB5,000,000.00 and RMB10,000,000.00, respectively, for Anshan Jidong Cement Co., Ltd., which will expire on 14 May 2026, 15 June 2026, 23 September 2026, 15 October 2026, 14 November 2026, 16 November 2026, 14 December 2026 and 16 December 2026, respectively. Beijing BBMG Real Estate Development Group Co., Ltd., a subsidiary of the Company, provided a secured guarantee for the bank loan project of Beijing Yichang Real Estate Co., Ltd., with an amount of RMB418,600,000.00. The guarantee will expire on 31 October 2030.

COMMITMENTS

Unit: RMB

	As at 31 December 2025	As at 31 December 2024
Contracted but not provided for:		
Asset acquisition or construction contracts entered into but not completed	**317,552,240.01**	617,694,269.02
Property development contracts entered into and being executed or will be executed	**8,014,006,167.00**	3,304,521,419.90
	8,331,558,407.01	3,922,215,688.92

The significant commitments made by the Group as at 31 December 2025 had been duly performed as previously undertaken.

ESTABLISHMENT AND IMPLEMENTATION OF THE INTERNAL CONTROL SYSTEM

The Group continuously improved the construction of internal control management systems and constantly enhanced the risk prevention and control and response capabilities, solidifying the internal control foundation for the high-quality development of the enterprise.

Firstly, continue to revise and update systems and continuously optimize the institutional system. The Group formulated an annual plan for formulating, modifying and repealing rules and regulations, and updated 50 rules and regulations throughout the year with 46 rules and regulations revised and newly formulated, and 4 rules and regulations repealed; held the Group's "Lecture Hall on Rules and Regulations" for 2025 to publicize the rules and regulations, involving 1,100 people and strengthening the management level and institutional strictness of the rules and regulations system; established its system portal, and carried out a system-wide "institutional examination" to ensure the timely and effective implementation of the Group's system with the structure of "One Core, Two Horizontals and Three Verticals" throughout the entire Group.

Secondly, dynamically update the Group's 2024 edition of Internal Control (Compliance) Management Manual and further optimize the internal control process. The Group adopted an innovative approach by integrating the revision of systems, internal control processes and compliance obligations. During the year, based on the establishment, revision and abolishment of systems, the Group reorganized the risk database with 4 risk points added, 4 risk points updated and 4 risk points deleted; dynamically updated the internal control process with 4 processes added, 10 processes modified and 2 processes deleted, and further embedded the internal control compliance requirements into key process links, so as to improve the actual effect of risk prevention and control.

Thirdly, continue to promote the transformation of the Group's digital intelligence and strengthen risk management and control constraints. In 2025, the Group continued to expand the application scope and depth of the integrated management and control information platform. Based on the principle of "Large Concentration, Full Penetration" and on the basis of the in-depth application of core systems such as people, property and assets, the Group coordinately promoted the launch of audit management, intelligent taxation, digital archive room, "carbon neutrality and carbon emission peaking" management and other systems, started the implementation of the strategic project of the unified sharing center, and launched the BBMG bidding procurement platform and the BBMG cloud procurement platform with all affiliated enterprises covered. The Group promoted the implementation of the "three-important and one-big", the work system of the board of directors, the supervision of large-scale funds and other state-owned assets online management and control system modules in the high-quality manner, and deeply integrated such modules with the Group's integrated management and control information platform, providing strong support for the Group to deepen and enhance the informatization level of internal control and compliance management, improve the management efficiency and prevent and control operation risks.

During the Reporting Period, the Group did not have any major defects in internal control.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The Group had no significant events after the balance sheet date that were required to be disclosed.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group had 42,792 employees in total (as at 31 December 2024: 43,825 employees). During the Reporting Period, the aggregate remuneration of the Group's employees (including Directors' remuneration) amounted to approximately RMB7,265.9 million (for the year ended 31 December 2024: RMB7,453.2 million), representing a decrease of approximately 2.5%.

In 2025, the Group continuously deepened the reform of the remuneration distribution mechanism by issuing and implementing the Administrative Measures on Labor Costs (《人工成本管理辦法》), driving improvements in both operational quality and efficiency.

Firstly, the Group established a total salary linkage mechanism. The Group deepened the implementation of the "five matching" review mechanism for remuneration, and took into comprehensive consideration the matching degree of the per capita income level of the enterprise and its industry, region, position, performance and system and mechanism to determine the rate of raise or decrease in the total annual salary of enterprises in a scientific manner based on the economic benefits and the profit-making per capita, achieving precise allocation of remuneration resources.

Secondly, the Group strengthened the linkage and application of evaluation results. According to the Administrative Measures for the Comprehensive Evaluation of Subsidiaries, the Group classified the annual evaluation results of the enterprise into four grades – "Excellent, Good, Qualified, and Poor", and dynamically adjusted the total salary quota for the year on this basis, achieving the direct linkage of the evaluation results of the enterprise to the total salary and effectively motivating enterprise at all levels to improve the quality and efficiency.

Thirdly, the Group advanced the digital transformation of remuneration management. Relying on the human resources information system, it fully realized closed-loop management of the entire process covering online salary calculation, financial posting and voucher sending, and monitored the personnel income and the utilization of total salary quota of various subsidiaries in real time. The system standardizes the salary structure and payment process and strengthens early warning in advance and process control, effectively preventing the unreasonable growth of labor costs.

Through the above measures, the Group established and improved a full-caliber and all-factor labor cost control system, promoted the linkage between labor costs and corporate benefits and efficiency, and formed a new refined management model featuring the "dual control" of remuneration management and total salary, providing strong support for the high-quality development of the Company.

TRAINING SCHEME

In 2025, the Group closely aligned with the theme of "Breakthrough Year of High-Quality Development" in its education and training work, and achieved remarkable results in strengthening Party building guidance, promoting scientific and technological innovation, accelerating transformation and upgrading, and enhancing risk prevention and control.

The Group delivered targeted and diverse training programs with continuously improved quality and efficiency. Keeping close to development needs, it successfully held special training sessions on "Three Gold" talents, green buildings and new materials application, digital intelligence transformation as well as artificial intelligence, and compliance management, and offered vocational skill level improvement courses covering 11 types of work. Through demand-driven training and precise planning, the Group effectively promoted the transformation of learning outcomes into work practice.

The training work laid more prominent focus on empowering transformation and upgrading. The Group intensified the cultivation of high-skilled talents, helping more than 1,500 employees obtain skill level certificates throughout the year. Notably, the advanced seminar on "Green Buildings and New Materials Application" was selected as a key municipal-level project in Beijing, which effectively deepened employees' understanding of industry frontiers and supported the Group's green, low-carbon and intelligent transformation. Meanwhile, the Group carried out extensive training on risk identification and response, systematically improving the risk prevention and control capacity of all employees.

The training system was fully implemented with full coverage of all employees. The Company established a working mechanism featuring overall coordination by the Group, leadership by relevant departments, and coordinated promotion by enterprises at all levels. All secondary subsidiaries continuously improved their internal trainer system and built an internal lecturer team composed of business backbones and technical experts, ensuring that training was closely aligned with actual production and operation. The number of training participation was 200,000 throughout the year, totaling 1.72 million course hours, achieving full coverage of all employees. The training certification is carried out in the form of certification assessment, and those who pass the assessment will obtain the vocational skill level certificates and enjoy the subsidy of skilled personnel policy.

EMPLOYEES OF THE PARENT COMPANY AND MAJOR SUBSIDIARIES (AS AT 31 DECEMBER 2025)

	Number of employees
Number of incumbent employees of the parent company	175
Number of incumbent employees of major subsidiaries	42,167
Total number of incumbent employees	42,792

Professional Structure

Category	Number of employees
Production staff	20,974
Sales staff	4,454
Technical staff	13,806
Financial staff	1,767
Administrative staff	1,445
Others	346
Total	42,792

Education Level

Category	Number of employees
Master's degree and above	1,629
Bachelor's degree	14,784
Junior college	9,872
Technical secondary school and below	16,507
Total	42,792

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 currency 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 major challenges for the Group nor had any significant effects on its operations or working capital during the Reporting Period. However, the management will continue to monitor foreign currency 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as was known to the Directors, as at 31 December 2025, shareholders of the Company who had interests or short positions in the shares and underlying shares of the Company which 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (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 were as follows:

Long positions:

Type of shareholding	Name of shareholder	Capacity and nature of interest	Number of shares held	Percentage of such shareholding in the same type of issued share capital (%)	Percentage of total issued share capital (%)
A Shares	Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司) *(Note 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	58.800	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 indirectly holds 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 31 December 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 31 December 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, SUPERVISORS AND CHIEF EXECUTIVE OFFICER IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, none of the Directors, supervisors 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 will have 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 are taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register of interests required to be kept under section 352 of the SFO, or which will be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

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

As at 31 December 2025, the Directors were not aware of any issues of the Directors, supervisors and relevant employees not in compliance with the Model Code during the Reporting Period. Specific enquiry has been made to all Directors and supervisors, who have confirmed that they had complied with the Model Code during the Reporting Period.

CORPORATE GOVERNANCE CODE

The Company is firmly committed to achieving and maintaining high overall standards of corporate governance and has always recognized the importance of accountability and communication with Shareholders through continuous effort in improving its corporate governance practices and processes. Through the establishment of a quality and effective Board, a comprehensive internal control system and a stable corporate structure, the Company strives to achieve completeness and transparency in its information disclosure, enhance stable operation and consolidate and increase Shareholders' value and profit.

During the Reporting Period, the Company had applied the laws and regulations of the places where it operates its business as well as the regulations and guidelines stipulated by regulatory authorities such as the China Securities Regulatory Commission, the Hong Kong Securities and Futures Commission, the Shanghai Stock Exchange and the Hong Kong Stock Exchange. The Company had applied the principles and complied with all the code provisions of the corporate governance code (the "**CG Code**"), as amended from time to time, set out in Appendix C1 to the Listing Rules during the Reporting Period as its own code on corporate governance practices. During the Reporting Period, the Company had reviewed its corporate governance documents and is of the view that the Company had fully complied with the code provisions of the CG Code.

Looking forward, the Company will continue to review its corporate governance practices and enhance its internal controls and risk management procedures to ensure their consistent application and will continue to improve the practices having regard to the latest developments.

A full description of the Company's corporate governance will be set out in the Corporate Governance section in the annual report for the Reporting Period.

ARTICLES OF ASSOCIATION

On 13 June 2025, the Company convened the 12th meeting of the seventh session of the Board, at which the proposal in relation to the proposed amendments to the Articles of Association and the Rules of Procedures for Shareholders' General Meetings and the Rules of Procedures for Meetings of the Board of Directors and the proposed abolishment of the establishment of the Supervisory Board has been approved by the Board.

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 the supervisory committee with 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.

The Proposed Amendments to the Articles of Association have been approved by way of resolution at the 2025 first extraordinary general meeting (the "**2025 First EGM**") held on 30 June 2025.

For details of the Proposed Amendments to the Articles of Association, please refer to the announcement of the Company dated 10 June 2025, the circular of the 2025 First EGM of the Company dated 13 June 2025 and the poll results announcement of the 2025 First EGM of the Company dated 30 June 2025.

The most updated Articles of Association as amended from time to time is available on the websites of the Company and the Hong Kong Stock Exchange.

CHANGE OF INDEPENDENT AUDITOR

The consolidated financial statements for the year ended 31 December 2025 of the Company have been audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP ("**Deloitte Touche Tohmatsu**").

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 upon the conclusion 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 China Securities Regulatory Commission, 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 has become the successful bidder. Deloitte Touche Tohmatsu is, therefore, proposed to be engaged as the auditor of the Company for financial reporting and internal audit for the year 2025 (the "**Proposed 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 of the Company (formerly known as the "**Audit Committee**"), Deloitte Touche Tohmatsu is proposed to be appointed as the auditor of the Company for financial reporting and internal audit for the year 2025. The proposed appointment is subject to submission to the shareholders' general meeting of the Company for the consideration and approval by the shareholders of the Company (the "**Shareholders**"). The Board and the Audit Committee have reviewed the qualifications, competence and experience of Deloitte Touche Tohmatsu, and are of the view that it has met the regulatory requirements in terms of its qualifications, professional competence, independence and integrity. The Company conducted adequate communication with Ernst & Young and Deloitte Touche Tohmatsu on the matters in relation to the Proposed Change of Auditor, and each of Ernst & Young and Deloitte Touche Tohmatsu has no disagreements. Ernst & Young has then provided a written confirmation to the Company that there were no matters in relation to the Proposed Change of Auditor that needed to be brought to the attention of the Shareholders. The Board and the Audit Committee have also confirmed that there were no disagreements or unresolved matters in relation to the Proposed Change of Auditor between Ernst & Young and the Board that needed to be brought to the attention of the Shareholders. The resolution in relation to the Proposed Change of Auditor has also been voted on and approved by way of ordinary resolution at the annual general meeting for the year of 2024 (the "**2024 AGM**") held on 23 May 2025. Upon the conclusion of the 2024 AGM, Deloitte Touche Tohmatsu has been appointed as the auditor of the Company for the financial report and internal control of the Company for the year ended 31 December 2025 for a term ending upon the conclusion of the annual general meeting of the Company for the year of 2025. Ernst & Young ceased to serve as the independent auditor of the Company with effect from 23 May 2025 upon the conclusion of the 2024 AGM.

Save as the above Proposed Change of Auditor, the Company did not change its independent auditor in the past three years.

BOARD COMPOSITION AND CHANGES DURING THE REPORTING PERIOD

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 currently comprises three executive Directors, three non-executive Directors and four independent non-executive Directors. It has a strong independence element in its composition. At present, there is one female Director in the Board of the Company, which meets the requirement of gender diversity of the Board under Rule 13.92 of the Listing Rules.

During the Reporting Period, Mr. Jiang Changlu resigned as an executive Director of the Company and a member of the Remuneration and Nomination Committee because he has reached the age of retirement. For details, please refer to the announcement of the Company dated 12 August 2025.

During the Reporting Period, Mr. Yu Fei resigned as an independent non-executive Director of the Company, and a member of each of the Audit Committee, the Remuneration and Nomination Committee and the Strategic Committee due to his work re-designation. For details, please refer to the announcement of the Company dated 4 March 2025.

During the Reporting Period, Ms. Hao Liwei resigned as a non-executive Director of the Company and a member of the Audit and Risk Committee due to her work re-designation. For details, please refer to the announcement of the Company dated 10 November 2025.

During the Reporting Period, Mr. Kong Qinghui has been appointed as a non-executive Director of the Company in accordance with the democratic election by the staff of the Company and relevant recommendation letter, and subsequently appointed as a member of each of the Audit and Risk Committee and the Remuneration and Nomination Committee of the Company. For details of the above appointment of Mr. Kong Qinghui, please refer to the announcements of the Company dated 10 November 2025 and 25 November 2025.

According to ordinary resolutions passed at the 2025 second extraordinary general meeting (the "**2025 Second EGM**") held on 25 November 2025, each of Mr. Zhao Xinjun and Ms. Yin Yuanping was appointed as a non-executive Director and an independent non-executive Director of the Company, respectively. Mr. Zhao Xinjun was also appointed as a member of each of the Audit and Risk Committee and the Strategic Committee of the Company, and Ms. Yin Yuanping was also appointed as a member of each of the Audit and Risk Committee, the Remuneration and Nomination Committee and the Strategic Committee of the Company. For details of the above appointments of Mr. Zhao Xinjun and Ms. Yin Yuanping, please refer to the announcements of the Company dated 27 August 2025 and 25 November 2025 and the circular of the 2025 Second EGM dated 30 October 2025.

ABOLISHMENT OF THE ESTABLISHMENT OF THE SUPERVISORY BOARD

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 the supervisory committee with the audit committee. In light of the above, the Board resolved to abolish the Supervisory Board and replaced it with the Audit and Risk Committee. The proposed abolishment of the Supervisory Board was approved at the 2025 first extraordinary general meeting (the "**2025 First EGM**") held on 30 June 2025 by way of a special resolution. With effect from the conclusion of the 2025 First EGM, the establishment of the Supervisory Board was abolished and the original duties were performed by the Audit and Risk Committee, and the positions of supervisors of the Company was removed accordingly. Each of the supervisors, namely, Wang Guijiang, Fan Qinghai, Gao Junhua, Gao Jinliang, Qiu Peng and Yu Yuehua, was removed with effect from the conclusion of the 2025 First EGM.

AUDIT AND RISK COMMITTEE

The Company has established the Audit and Risk Committee pursuant to the provisions of the CG Code with written terms of reference, aiming at (among other things) reviewing and supervising the Group's financial reporting procedures. As at the date of this announcement, the Audit and Risk Committee consists of three non-executive Directors and four independent non-executive Directors. At a meeting convened on 27 March 2026, the Audit and Risk Committee reviewed and considered the consolidated financial statements and the internal control audit report of the Group for the Reporting Period. The Audit and Risk Committee has also recommended the Board to adopt the Group's consolidated financial statements for the Reporting Period.

As at the date of this announcement, members of the Audit and Risk Committee are Kong Qinghui (non-executive Director), Gu Tiemin (non-executive Director), Zhao Xinjun (non-executive Director), Liu Taigang (independent non-executive Director), Hong Yongmiao (independent non-executive Director), Tam Kin Fong (independent non-executive Director) and Yin Yuanping (independent non-executive Director). Tam Kin Fong (independent non-executive Director) is the chairman of the Audit and Risk Committee.

REMUNERATION AND NOMINATION COMMITTEE

The Company has established the Remuneration and Nomination Committee with written terms of reference. The primary duties of the Remuneration and Nomination Committee are to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Company, review the performance-based remuneration, ensure that no Director is involved in determining his own remuneration, nominate candidates to fill up any vacancy of the Board, ensure the diversity of the composition of the Board and review the qualification of the candidates. As at the date of this announcement, the Remuneration and Nomination Committee consists of five members, namely Kong Qinghui (non-executive Director), Hong Yongmiao (independent non-executive Director), Liu Taigang (independent non-executive Director), Tam Kin Fong (independent non-executive Director) and Yin Yuanping (independent non-executive Director). Liu Taigang (independent non-executive Director) is the chairman of the Remuneration and Nomination Committee. Currently, the Remuneration and Nomination Committee has one female director, thus meeting the requirement under the Corporate Governance Code regarding gender diversity on the Remuneration and Nomination Committee.

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

During the Reporting Period, the Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This electronic version of this annual results announcement is published on the websites of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the Company (https://www.bbmg.com.cn). The annual report for the Reporting Period will be despatched to the Shareholders and will be available for review on the same websites in due course. The PRC domestic annual results report for the Reporting Period 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 (https://www.bbmg.com.cn) around the same time as this annual results announcement.

AGM AND CLOSURE OF REGISTER OF MEMBERS

A notice convening the forthcoming annual general meeting of the Company will be published and (if applicable) despatched to the Shareholders of the Company in the manner required by the Listing Rules and the Articles of Association of the Company in due course.

For arrangement of closure of register of members involving the determining entitlements of the Shareholders to (i) attend and vote at the AGM; and (ii) receive the final dividends for the Reporting Period, the Company will inform the Shareholders by way of announcement as soon as possible.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our Shareholders, regulators, customers, partners and friends from all walks of life for their continued trust, as well as to the Board of the Company for their diligence and hard work, and also to all the staff of the Company for their commitments and dedication. In the new journey, the Company will continue to strive forward to win a better future!

By order of the Board
BBMG Corporation*
Jiang Yingwu
Chairman

Beijing, the PRC
30 March 2026

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 Kong Qinghui, Gu Tiemin and Zhao Xinjun; and the independent non-executive directors of the Company are Liu Taigang, Hong Yongmiao, Tam Kin Fong and Yin Yuanping.