



**北京金隅集团股份有限公司**  
**BBMG CORPORATION\***

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

ANNUAL REPORT

20  
25

The logo for BBMG, featuring the letters 'BBMG' in a bold, sans-serif font. The letter 'M' is stylized with a red, jagged shape that resembles a lightning bolt or a stylized 'M' with a sharp peak, positioned behind the letters. The background of the entire page is a complex geometric pattern of overlapping red and white shapes, including triangles, rectangles, and lines, creating a dynamic and modern aesthetic.

**BBMG**

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# FINANCIAL HIGHLIGHTS

	2025	2024	Change	
Operating revenue (RMB'000)	<b>91,113,100</b>	110,711,819	(19,598,719)	-17.7%
Gross profit margin from principal business (%)	<b>11.8</b>	9.9	1.9 percentage points	
Total profit (RMB'000)	<b>32,351</b>	456,099	(423,748)	-92.9%
Net losses attributable to the shareholders of the parent company (RMB'000)	<b>1,009,467</b>	555,162	454,305	81.8%
Basic losses per share attributable to the shareholders of the parent company (before deducting other equity instrument indicators) (RMB)	<b>0.09</b>	0.05	0.04	80%
Basic losses per share attributable to the shareholders of the parent company (after deducting other equity instrument indicators) (RMB)	<b>0.19</b>	0.15	0.04	26.7%
Final dividend per share (RMB)	<b>0.05</b>	0.05	-	-
Cash and bank balances (RMB'000)	<b>16,224,112</b>	18,292,078	(2,067,966)	-11.3%
Total assets (RMB'000)	<b>263,618,958</b>	263,995,721	(376,763)	-0.1%
Total equity attributable to the shareholders of the parent company (RMB'000)	<b>71,024,254</b>	73,717,500	(2,693,246)	-3.7%
Current ratio (current assets/current liabilities)	<b>1.5</b>	1.4	0.1 percentage point	
Debt ratio (%) (total liabilities/total assets)	<b>66.3</b>	65.1	1.2 percentage points	

# CORPORATE INFORMATION

<b>Chinese name of the Company</b>	北京金隅集團股份有限公司
<b>English name of the Company</b>	BBMG Corporation*
<b>Headquarters</b>	Tower D, Global Trade Center No. 36, North Third Ring East Road Dongcheng District, Beijing 100013, the PRC
<b>Registered office and principal place of business in the PRC</b>	No. 36, North Third Ring East Road Dongcheng District, Beijing, the PRC
<b>Principal place of business in Hong Kong</b>	Room 405, Kai Wong Commercial Building, 222 Queen's Road Central, Hong Kong
<b>Website of the Company</b>	<a href="https://www.bbm.com.cn">https://www.bbm.com.cn</a>
<b>Legal representative</b>	Jiang Yingwu
<b>The Board of Directors</b>	
<i>Executive Directors</i>	Jiang Yingwu ( <i>Chairman</i> ) Gu Yu ( <i>General Manager</i> ) Zheng Baojin
<i>Non-executive Directors</i>	Kong Qinghui Gu Tiemin Zhao Xinjun
<i>Independent non-executive Directors</i>	Liu Taigang Hong Yongmiao Tam Kin Fong Yin Yuanping

\* For identification purpose only

# CORPORATE INFORMATION

## **Committees**

### *Audit and Risk Committee*

Tam Kin Fong (*Chairman*)  
Kong Qinghui  
Gu Tiemin  
Zhao Xinjun  
Liu Taigang  
Hong Yongmiao  
Yin Yuanping

### *Remuneration and Nomination Committee*

Liu Taigang (*Chairman*)  
Kong Qinghui  
Hong Yongmiao  
Tam Kin Fong  
Yin Yuanping

### *Strategic Committee*

Jiang Yingwu (*Chairman*)  
Gu Yu  
Zheng Baojin  
Zhao Xinjun  
Liu Taigang  
Hong Yongmiao  
Tam Kin Fong  
Yin Yuanping

### *Executive Committee*

Jiang Yingwu (*Chairman*)  
Gu Yu  
Zheng Baojin

## **Authorised Representatives**

Jiang Yingwu  
Lau Fai Lawrence

# CORPORATE INFORMATION

<b>Board Secretary</b>	Zhang Jianfeng
<b>Company Secretary</b>	Lau Fai Lawrence
<b>Listing Information</b>	
<i>A Shares</i>	
A share registrar	China Securities Depository and Clearing Corporation Limited, Shanghai Branch 3rd Floor, China Insurance Building 166 Lujiazui Road East, Pudong New District, Shanghai, the PRC
Place of listing	Shanghai Stock Exchange
Stock name	BBMG
Board lot	100 shares
Stock code	601992.SH
<i>H Shares</i>	
H share registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre 183 Queen's Road East, Wanchai, Hong Kong
Place of listing	The Stock Exchange of Hong Kong Limited (the " <b>Hong Kong Stock Exchange</b> ")
Stock name	BBMG
Board lot	1,000 shares
Stock code	02009.HK
Principal Bankers	Bank of Beijing Co., Ltd. Industrial and Commercial Bank of China Limited Beijing Rural Commercial Bank Co., Ltd. China Construction Bank Corporation Hua Xia Bank Co., Limited Bank of Communications Co., Ltd. Bank of China Limited Agricultural Bank of China Limited
Independent Auditor	Deloitte Touche Tohmatsu Certified Public Accountants LLP Certified Public Accountants
Legal Advisers	Haiwen & Partners LLP <i>As to Hong Kong law</i>  Guantao Law Firm <i>As to PRC law</i>

# CORPORATE PROFILE

## BBMG Corporation

BBMG Corporation (hereinafter referred to as “**BBMG**” or the “**Company**”) was established in December 2005. Fully leveraging on its unique resources, the Company and its subsidiaries (the “**Group**”) are principally engaged in the manufacture of building materials supplemented by property development and property investment and management, forging a unique, one-stop, vertical industrial chain structure among major building materials manufacturers in the People’s Republic of China (“**PRC**” or “**China**”).

### 1. Modern green building materials segment

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

Modern green and environmentally-friendly building materials manufacturing business: With cement as its core product, the Company has formed a complete industrial chain of building materials that is compatible with upstream and downstream businesses, which covers concrete, wall body and insulation materials, prefabricated building system and parts and furniture and woods, as well as an interactive mechanism that includes products and services such as decoration, architectural design and main construction contract of installations, 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



# CORPORATE PROFILE

capacity of cement amounted to approximately 180 million tonnes; the production capacity of ready-mixed concrete amounted to approximately 76 million cubic meters while the production capacity of aggregates amounted to 97.2 million tonnes and the production capacity of grinding aids and admixtures approximated 0.28 million tonnes, respectively. Its 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 were extended to popular regions 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 to construct and provide service for the whole industrial chain in terms of new dry process cement production lines with a daily output of 12,000 tonnes. The products developed by the Company, such as high-efficiency vertical cement mill, co-disposal equipment of hazardous wastes and solid wastes via cement kiln, energy-saving electrical cabinet, automatic control and intelligent operation and maintenance system, heaving castings with piece weight of 10-150 tonnes and precision casting with piece weight of 0.01kg to 30kg, have reached the advanced level in the industry. Under the premise of controllable risks, the Company will improve the supply chain network configuration and asset layout, and continue to improve and strengthen the international trade and building materials and commerce logistics business.



# CORPORATE PROFILE

## 2. Property Development and Operation Segment

The Company has committed to property development and construction for over 40 years with a comprehensive development strength covering property projects of multiple categories. It ranked in the forefront of the industry in terms of comprehensive strength. The Company is also one of the largest investors and managers of investment properties in Beijing with the most diversified businesses. The Company received various honors such as Top 100 China Real Estate Enterprises and Top 100 Property Management Service Enterprises in China for consecutive years. It has obtained AAA credit rating for its quality credit and has great influence and brand awareness across the industry.

Property development business: The Company developed 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 operation and management business: At present, the Company holds investment properties of the area of approximately 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.

The H shares of BBMG were successfully listed on the Main Board of the Hong Kong Stock Exchange on 29 July 2009 and the Company was successfully listed on the domestic A share market of the Shanghai Stock Exchange on 1 March 2011. The dual listing in both markets has further enhanced a more solid and concrete foundation and continues to provide a broader platform for the future development of BBMG.

# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

## Directors

**Mr. Jiang Yingwu**, born in October 1966, aged 59, is the executive Director, chairman of the Board and the secretary of the Party Committee of the Company. Mr. Jiang Yingwu graduated with a bachelor's degree in silicate engineering (cement) from the Department of Inorganic Materials Science and Engineering at Shandong College of Building Materials Industry (山東建材工業學院). He is a senior economist and senior engineer. He has been an executive Director since 19 January 2021 and served as the chairman of the Board and the secretary of the Party Committee of our Company since February 2023. Since September 1987, Mr. Jiang Yingwu successively took office in Beijing Yanshan Cement Plant\* (北京燕山水泥廠) and BBMG Group Company Limited and other companies. He has held various positions in the Company including the director of the Strategic Development Department, director of the Party Committee Organization Department, deputy general manager, deputy secretary of the Party Committee, general manager, etc.

Save as disclosed above, Mr. Jiang Yingwu has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies or other major appointments and professional qualifications in the past three years.

**Mr. Gu Yu**, born in March 1972, aged 54, is the deputy secretary of the Party Committee, executive Director and general manager of the Company. Mr. Gu Yu graduated from Beijing Materials Institute with a major in Logistics Engineering. He holds a postgraduate degree and a master's degree in Engineering. He is a senior economist and senior engineer. He has been appointed as the executive Director since 27 September 2023. Mr. Gu Yu has served as the deputy secretary of the Party Committee and the general manager of the Company since July 2023 and August 2023 respectively. Since July 1993, Mr. Gu Yu successively took office in Equipment and Material Company of Beijing Uni-Construction Group\* (北京住總集團設備物資公司), Beijing Uni-Construction International Wood Industrial Co., Ltd.\* (北京住總國際木業有限公司), and Beijing Uni-Construction Logistics Co., Ltd.\* (北京住總物流有限公司) and other companies. He has held various positions including secretary of the Party Committee and chairman of Beijing Uni-Construction Tech.& Trade Holding Group Co., Ltd.\* (北京住總科貿控股集團有限公司), deputy secretary of the Party Committee and deputy general manager of Beijing Urban Construction Group Co., Ltd.\* (北京城建集團有限責任公司), etc. He has also served as a member of the Party Committee of the Xinjiang Hetian Commander Headquarters and the deputy secretary of Urumqi Municipal Committee.

Save as disclosed above, Mr. Gu Yu has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies or other major appointments and professional qualifications in the past three years.

\* For identification purpose only

# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

**Mr. Kong Qinghui**, born in January 1971, aged 55, is a non-executive Director and the deputy secretary of the Party Committee of the Company. Mr. Kong Qinghui graduated from Chongqing University of Technology with a bachelor's degree majoring in accounting and Chongqing University with a master's degree majoring in logistics engineering. He has been appointed as a non-executive Director since 10 November 2025. Mr. Kong began to work in July 1995 and successively took office in Baby-Joy Group in Yantai, Logistics Headquarters, Marketing Headquarters, Sichuan-Chongqing Region and Shaanxi Region of BBMG Jidong Cement Group Co., Ltd. (a subsidiary of the Company with its shares listed on the Shenzhen Stock Exchange and stock code of 000401) and other companies. Mr. Kong served as the secretary of the Party Committee, chairman and general manager of BBMG Jidong Cement Group Co., Ltd. and assistant to general manager and deputy general manager of the Company, etc.

Save as disclosed above, Mr. Kong Qinghui has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies or other major appointments and professional qualifications in the past three years.

**Mr. Zheng Baojin**, born in October 1966, aged 59, is an executive Director, a standing member of the Party Committee and deputy general manager of the Company. Mr. Zheng Baojin graduated from the Tangshan Engineering Technology Institute in July 1987 with industry management engineering profession. He holds a college degree and is a senior economist. He has been appointed as an executive Director since 15 August 2017. Mr. Zheng Baojin served as deputy general manager and a standing member of the Party Committee of the Company since April and June 2021, respectively. Since July 1987, Mr. Zheng Baojin successively took office in Handan Cement Factory\* (邯鄲水泥廠) and other companies. He held various positions including the secretary of the Board, Director, and deputy general manager of Hebei Taihang Cement Co., Ltd.\* (河北太行水泥股份有限公司), deputy chief accountant of BBMG Group Company Limited, director of Tangshan Jidong Cement Co., Ltd.\* (唐山冀東水泥股份有限公司), and chief legal advisor and secretary of the Board of Directors of BBMG Corporation.

Save as disclosed above, Mr. Zheng Baojin has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies or other major appointments and professional qualifications in the past three years.

# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

**Mr. Gu Tiemin**, born in May 1968, aged 57, has been a non-executive Director since 12 May 2021. Mr. Gu Tiemin graduated from the Law Department of the College of Humanities and Law of Beijing Union University\* (北京聯合大學) in July 1991, majoring in law. Mr. Gu Tiemin received his master of law degree from the Law School of Renmin University of China\* (中國人民大學) in January 2001. He is a senior economist and lawyer. Mr. Gu Tiemin is currently an expatriate full-time director of Beijing State-owned Capital Operation and Management Center\* (北京國有資本經營管理中心). Since 1991, Mr. Gu Tiemin successively took office in the Legal Office of Beijing Municipal Government\* (北京市政府法制辦公室), Beijing Xuanwu District Government\* (北京市宣武區政府), and Beijing Municipal Commerce Bureau\* (北京市商務局) and other companies. He held various positions including deputy general manager of Beijing Capital Agribusiness Group Co., Ltd.\* (北京首都農業集團有限公司), and secretary of the Party Committee and chairman of Beijing International Technology Cooperation Center Limited\* (北京國際技術合作中心有限公司). Mr. Gu Tiemin has been serving as the non-executive director of BAIC Motor Corporation Limited\* (北京汽車股份有限公司) (SEHK stock code: 1958) since June 2021.

Save as disclosed above, Mr. Gu Tiemin has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies or other major appointments and professional qualifications in the past three years.

**Mr. Liu Taigang**, born in July 1982, aged 43, has been an independent non-executive Director since 12 May 2021. Mr. Liu Taigang graduated from the Law School of Renmin University of China\* (中國人民大學) with a doctorate degree in law, majoring in administrative law. Mr. Liu Taigang is currently a professor and doctoral tutor in the Administration Science Department and a director of the Teaching and Research Section of Public Organization and Human Resources of Renmin University of China. Mr. Liu Taigang was a legal advisor of the Office of Tong Chi Kin Kwan Tsui Hang Legislative Councillor (唐志堅關翠杏立法議員辦事處) (seconded from the Macau Branch of Xinhua News Agency (新華社)). Mr. Liu Taigang was also a member of the Beijing Party Committee of China National Democratic Construction Association\* (中國民主建國會), member of the Central Legal Committee of the China National Democratic Construction Association, member of the sixth and seventh session of the Chinese People's Political Consultative Conference of Haidian District, Beijing and member of the 3rd batch of special inspectors of the State Ministry of Supervision (國家監察部).

Save as disclosed above, Mr. Liu Taigang has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies or other major appointments and professional qualifications in the past three years.

# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

**Mr. Hong Yongmiao**, born in February 1964, aged 62, has been an independent non-executive Director since 12 May 2021. Mr. Hong Yongmiao graduated from University of California, San Diego and obtained a doctor's degrees in Economics. Mr. Hong Yongmiao is an academician of the Academy of Sciences for the Developing World\* (發展中國家科學院) and fellow of the Econometric Society (世界計量經濟學學會). He is a distinguished research fellow at the Institute of Mathematics and Systems and the Prediction Science Research Center of the Chinese Academy of Sciences\* (中國科學院), a distinguished professor and dean of the School of Economics and Management of the University of Chinese Academy of Sciences. Mr. Hong Yongmiao was formerly a chair professor of Economics and International Studies at Cornell University (康奈爾大學), and the dean of the Wang Yanan Institute for Studies in Economics and the School of Economics of Xiamen University (廈門大學). Mr. Hong Yongmiao has been serving as an independent non-executive director of the China Everbright Bank Company Limited (中國光大銀行股份有限公司) (SEHK stock code: 6818) since September 2019.

Save as disclosed above, Mr. Hong Yongmiao has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies or other major appointments and professional qualifications in the past three years.

**Mr. Tam Kin Fong**, born in April 1971, aged 55, has been an independent non-executive Director since 12 May 2021. Mr. Tam Kin Fong graduated from the City University of Hong Kong (香港城市大學), majoring in accounting, with a Bachelor of Arts (Hons) degree in accounting. After graduation, Mr. Tam Kin Fong worked at the auditing department of PricewaterhouseCoopers, and also served as a financial controller of a subsidiary of NWS Holdings Limited (新創建集團有限公司). Mr. Tam Kin Fong is currently a certified public accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Tam Kin Fong is currently a managing director of Dakin Capital Limited (德健融資有限公司). Before he joined Dakin Capital Limited, Mr. Tam Kin Fong held positions in various international and Hong Kong investment banks, including vice president of Daiwa Securities Co., Ltd. (大和證券有限公司), executive director and co-head of Hong Kong Merchants Securities Co., Ltd. (香港招商證券有限公司) and head of investment banking department of Ping An of China Securities (Hong Kong) Company Limited (中國平安證券(香港)有限公司).

Save as disclosed above, Mr. Tam Kin Fong has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies or other major appointments and professional qualifications in the past three years.

# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

**Mr. Zhao Xinjun**, born in February 1967, aged 59, has been a non-executive Director since 25 November 2025. Mr. Zhao Xinjun graduated from China Europe International Business School with an EMBA degree. He is a senior engineer and a senior economist. Since July 2016, Mr. Zhao Xinjun has served as the chairman of the board, a director, the president and the secretary of the Party Committee of Tianshan Material Co., Ltd. (a company listed on the Shenzhen Stock Exchange with stock code 000877.SZ).

Save as disclosed above, Mr. Zhao Xinjun has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies or other major appointments and professional qualifications in the past three years.

**Ms. Yin Yuanping**, born in March 1956, aged 70, has been an independent non-executive Director since 25 November 2025. Ms. Yin Yuanping holds a bachelor's degree in economics. She has been appointed as an independent non-executive director of BAIC Motor Corporation Limited\* (stock code: 01958.HK and a company listed on the main board of The Stock Exchange of Hong Kong Limited) since 24 March 2021. Ms. Yin currently serves as vice president of the China Enterprise Confederation/China Enterprise Directors Association. Ms. Yin has more than 30 years of experience in enterprise management. Since 1989, Ms. Yin has served as a deputy president and deputy editor-in-chief, president and editor-in-chief of the enterprise management publishing house of the China Enterprise Confederation/China Enterprise Directors Association, vice president, executive vice president as well as secretary of the party committee and executive vice president of the China Enterprise Confederation/China Enterprise Directors Association, president at the China Enterprise Management Science Foundation (中國企業管理科學基金會) and vice president of the China Enterprise Confederation/China Enterprise Directors Association.

Save as disclosed above, Ms. Yin Yuanping has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies or other major appointments and professional qualifications in the past three years.

# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

## Senior Management

**Mr. Liu Wenyan**, born in June 1967, aged 58, currently serves as a deputy general manager of the Company. Mr. Liu Wenyan graduated from the Beijing University of Technology majoring in materials engineering. He holds a master's degree in engineering. He is an engineer. Mr. Liu Wenyan began to work in July 1989 and successively took office in Beijing Liulihe Cement Plant, Luquan Dongfang Dingxin Cement Co., Ltd. and other companies. He has served as the secretary of the communist party committee and chairman of Jidong Development Group Co., Ltd., the chairman of Tangshan Jidong Equipment and Engineering Co., Ltd. (唐山冀東裝備工程股份有限公司) (Shenzhen Stock Exchange stock code: 000856), the secretary of the communist party committee and chairman of BBMG New Building Materials Industrialization Group Co., Ltd. (北京金隅新型建材產業化集團有限公司), etc.

Save as disclosed above, Mr. Liu Wenyan has no other relationship with any Directors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules), and does not have other major appointments and professional qualifications.

**Mr. Liu Yu**, born in July 1982, aged 43, currently serves as a standing member of the Party Committee and the deputy general manager of the Company, and concurrently serves as the secretary of the Party Committee and chairman of Tangshan Jidong Cement Co., Ltd. (Shenzhen Stock Exchange stock code: 000401). Mr. Liu Yu graduated from China University of Political Science and Law with majoring in law (civil, commercial and economic law) and Central University of Finance and Economics with majoring in law. He holds a university degree and a master's degree in law, and is a corporate lawyer, senior engineer and economist. Mr. Liu Yu began to work in August 2005 and successively worked in BBMG Group Company Limited and Tangshan Jidong Cement Co., Ltd. Mr. Liu Yu has served as the deputy director of the Board Office and director of legal compliance department of BBMG Corporation, the secretary to the board of directors, general legal counsel, deputy general manager and general manager of Tangshan Jidong Cement Co., Ltd., etc.

Save as disclosed above, Mr. Liu Yu has no other relationship with any Directors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules), and does not have other major appointments and professional qualifications.

**Mr. Xu Chuanhui**, born in August 1972, aged 53, currently serves a standing member of the Party Committee and the deputy general manager of the Company and the secretary of the Party Committee and chairman of BBMG Investment Property Management Co., Ltd. Mr. Xu Chuanhui graduated from Tianjin University of Commerce with a bachelor's degree majoring in management information systems. He holds a master's degree in business administration from Tsinghua University. He is a senior economist and an engineer. Mr. Xu Chuanhui began to work in August 1995 and successively took office in Beijing Building Materials Group Corporation, BBMG Property Management Co., Ltd., Beijing Gaoling Real Estate Development Co., Ltd. and other companies. He has served as the head of Real Estate and Property Division, the head of Investment Property Management Department and the assistant to the general manager of the Company, etc.

# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Save as disclosed above, Mr. Xu Chuanhui has no other relationship with any Directors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules), and does not have other major appointments and professional qualifications.

**Mr. Zhang Dengfeng**, born in September 1971, aged 54, currently serves as the assistant to the general manager of the Company, the secretary of the Party Committee of Headquarters and the head of the General Affairs Management Department of Headquarters. Mr. Zhang Dengfeng graduated from the School of Public Administration of Renmin University of China majoring in administrative management and obtained a master's degree in management. He is a professor-level senior economist. Mr. Zhang Dengfeng began to work in August 1994 and successively served as assistant to manager of the Human Resources Department, deputy head of General Office of BBMG Group Company Limited, head of the Public Relations Department, director of the Party Committee Office, head of General Office, general legal counsel of the Company, etc.

Save as disclosed above, Mr. Zhang Dengfeng has no other relationship with any Directors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules), and does not have other major appointments and professional qualifications.

**Mr. Cheng Hongliang**, born in January 1969, aged 56, currently serves as the assistant to the general manager of the Company and the secretary of the Party Committee and chairman of BBMG Real Estate Development Group Co., Ltd. Mr. Cheng Hongliang graduated from University of Science and Technology Beijing majoring in business administration. He holds a postgraduate degree and a master's degree in business administration. He is an engineer. Mr. Cheng Hongliang began to work in August 1993 and successively took office in Beijing Building Materials Group Real Estate Development Co., Ltd., BBMG GEM Real Estate Development Co., Ltd., BBMG Group Company Limited, Beijing Dacheng Real Estate Development Co., Ltd. and other companies. He has served as the general manager of BBMG Real Estate Development Group Co., Ltd., the head of Asset Management Department, the head of Real Estate Development and Management Department of the Company, etc.

Save as disclosed above, Mr. Cheng Hongliang has no other relationship with any Directors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules), and does not have other major appointments and professional qualifications.

# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

**Mr. Zhang Ming**, born in February 1981, aged 45, currently serves as the assistant to the general manager of the Company and the secretary of the Party Committee and a director of Beijing Building Materials Academy of Sciences Research Co., Ltd.\* (北京建築材料科學研究總院有限公司). Mr. Zhang Ming graduated from Beijing Institute of Aeronautical Materials with major in materials and holds a postgraduate degree and a doctorate's degree in engineering. He is a senior engineer. Mr. Zhang Ming began to work in February 2006 and successively took office in Beijing Institute of Aeronautical Materials, AVIC Composite Co., Ltd. (中航複合材料有限責任公司) and other companies. He has served as the director of the honeycomb and core materials department of AVIC Composite Co., Ltd. (中航複合材料有限責任公司), the director of the environmental protection management department of the Company, etc.

Save as disclosed above, Mr. Zhang Ming has no other relationship with any Directors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules), and does not have other major appointments and professional qualifications.

**Mr. Huang Wenge**, born in September 1972, aged 53, currently serves as the chief auditor and the head of the audit department of the Company, and a director of Easyhome New Retail Group Corporation Limited (Shenzhen Stock Exchange stock code: 000785). Mr. Huang Wenge graduated from Harbin Institute of Technology with a bachelor's degree in industrial accounting, and obtained a master's degree in business administration from Wuhan University of Technology. He is a professor-level senior accountant. Mr. Huang Wenge began to work in August 1996 and successively took office in Beijing Cement Plant Co., Ltd., the Cement Business Division and the Cement Branch of the Company. He has served as the head of the asset management department of the Company, the secretary of the Party Branch and the chairman of BBMG Finance Co., Ltd. (北京金隅財務有限公司), the chairman of BBMG Finance Lease Co., Ltd. (金隅融資租賃有限公司) and a director of Beijing BBMG Finance Lease Co., Ltd. (北京金隅融資租賃有限公司).

Save as disclosed above, Mr. Huang Wenge has no other relationship with any Directors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules), and does not have other major appointments and professional qualifications.

**Mr. Zhang Jianfeng**, born in August 1975, aged 50, currently serves as the secretary of the Board and the director of the Board Office of the Company, a director of Tangshan Jidong Equipment and Engineering Co., Ltd. (唐山冀東裝備工程股份有限公司) (Shenzhen Stock Exchange stock code: 000856) and a supervisor of China National Building Material Company Limited (Shenzhen Stock Exchange stock code: 3323). Mr. Zhang Jianfeng graduated from Wuhan Industry University (武漢工業大學) majoring in English. He holds a university degree and a bachelor's degree of Arts. Mr. Zhang Jianfeng began to work in August 1998 and held various positions including deputy director of the External Cooperation Department of BBMG Group Company Limited, deputy director of the Public Relations Department and the deputy director of the Board Office of the Company.

Save as disclosed above, Mr. Zhang Jianfeng has no other relationship with any Directors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules), and does not have other major appointments and professional qualifications.

# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

**Mr. Huang Qian**, born in December 1988, aged 37, currently serves as the general legal counsel and the director of legal compliance department of the Company. Mr. Huang Qian graduated from the Graduate School of the Chinese Academy of Social Sciences (中國社會科學院) with a master's degree in law. He holds a postgraduate degree and obtained a master's degree in business administration from the University of Science and Technology Beijing. He is a corporate lawyer and a senior economist. Mr. Huang Qian began to work in August 2013 and successively took office in the Company, BBMG Property Operation Management Co., Ltd. (北京金隅地產經營管理有限公司) and other companies. He has served as the deputy director of the Party Committee Office of the Company, etc.

Save as disclosed above, Mr. Huang Qian has no other relationship with any Directors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules), and does not have other major appointments and professional qualifications.

# CHAIRMAN'S STATEMENT



Jiang Yingwu  
Chairman

# 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.

# CHAIRMAN'S STATEMENT

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.

# CHAIRMAN'S STATEMENT

## 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.

# CHAIRMAN'S STATEMENT

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”.

# CHAIRMAN'S STATEMENT

## 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!

**Jiang Yingwu**

*Chairman & Executive Director*

Beijing, the PRC

30 March 2026

# MANAGEMENT DISCUSSION & ANALYSIS



**BBMG** 金隅



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# MANAGEMENT DISCUSSION & ANALYSIS

## 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.

# MANAGEMENT DISCUSSION & ANALYSIS

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.

# MANAGEMENT DISCUSSION & ANALYSIS

**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.

# MANAGEMENT DISCUSSION & ANALYSIS

- (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.

# MANAGEMENT DISCUSSION & ANALYSIS

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

# MANAGEMENT DISCUSSION & ANALYSIS

## Summary of Business Information

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

# MANAGEMENT DISCUSSION & ANALYSIS

## 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.

# MANAGEMENT DISCUSSION & ANALYSIS

## 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 <sup>2</sup> )	Planned plot ratio area (m <sup>2</sup> )	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, Sijing sector, Haidian District	Class 2 residential land	28,593	60,045	3,364.0	Listing	2025.6.5	100%

### The Table of Land Reserve of the Group as at 31 December 2025

No.	Project Name	Geographical Location	Land Reserve Area (thousand sq.m.)	Percentage of the Group's Interest
		Total	5,732.0	100%
	<b>Commodity housing</b>	Subtotal	5,484.2	96%
1	Chongqing - Xinduhui	Chayuan, Nan'an District, Chongqing	1,669.3	100.00%
2	Tangshan - Jinyu Yunzhu	To the west of Gangyao Road, to the east of planned road and to the north of Jianhua Road	379.5	100.00%
3	Qingdao - Treasures Mansion	To the east of Yanqing Grade I Road and to the north of Liaohe First Road, Chuangzhi New District, Jimo District, Qingdao	259.0	100.00%
4	Tianjin - Jinchengfu	Intersection of Wenqing Road and Chaoyang Road, Beichen District, Tianjin	258.3	100.00%
5	Tianjin - Treasures Mansion	Northwest side of the intersection of Jinzhong Road and Zhuji Road, Dongli District	240.5	100.00%
6	Tianjin - Jinyu Yunzhu	Airport Economic Area, Tianjin	226.8	100.00%
7	Chongqing - Nanshanjun	Nanshan, Nan'an District, Chongqing	213.6	100.00%
8	Beijing - Silicon valley one	Pingfang Village, Beiqijia Town, Changping District, Beijing	150.9	34.99%
9	Chongqing - Times Metro	Chayuan, Nan'an District, Chongqing	145.0	100.00%
10	Beijing - Yu • Dongxu	Chaoyang Port, Shibaldian, Chaoyang District, Beijing	123.5	100.00%

# MANAGEMENT DISCUSSION & ANALYSIS

**The Table of Land Reserve of the Group as at 31 December 2025 (continued)**

No.	Project Name	Geographical Location	Land Reserve Area (thousand sq.m.)	Percentage of the Group's Interest
11	Beijing - Jinchenu	Beiqijia Town, Changping District	121.0	49.01%
12	Tangshan - Metallic A03	To the west of Gangyao Road, to the east of planned road and to the north of Jianhua Road	98.3	100.00%
13	Tangshan - Qixin C03 plot	South of Beixin Road, west of Douhe River and north of Xinhua Road, Lubei District	83.4	100.00%
14	Tangshan - Jinchengfu	South of Beixin Road, west of Douhe River and north of Xinhua Road	70.7	100.00%
15	Suzhou - Zijinfeili	East of Jinxi Street, south of Xiluoxiang and north of Zhongxin Avenue, Suzhou	68.4	60.09%
16	Tianjin - Jinchengxifu	Northwest side of the intersection of Xinfeng Road and Tianhe Road, Beichen District	63.0	100.00%
17	Hefei - Jinchengfu	Tongling Road, Baohe District, Hefei	62.3	100.00%
18	Shanghai - Taopu plot	Plots 061-02 and 065-01, Taopu Technology Smart City, Putuo District, Shanghai	60.2	100.00%
19	Beijing - Yu-Haiyue	Baoshan Village, Haidian District, Beijing	59.2	100.00%
20	Shanghai - Dachengmingting	Juyuan New District, Jiading District, Shanghai	54.5	100.00%
21	Beijing - Wangjing Yunshang	Laiguangying North Road, Chaoyang District, Beijing	52.9	100.00%
22	Ningbo - Jinjunfu	Eastern core area of Eastern New Town	51.4	100.00%
23	Chengdu - Dachengjun	Xihanggang Street, Shuangliu County, Chengdu	50.8	100.00%
24	Chengdu - Jinchen Xifu	Group 1 of Guandong Community, Group 7 of Yinglong Community and Group 5 of Xinhua Community, Zhonghe Street, High-tech District, Chengdu	50.6	100.00%
25	Tangshan - Jinyufu	North of Xinhua East Road, Lubei District	49.1	100.00%
26	Chengdu - Longxihui	No. 168, Julong Road, Cuqiao Street, Wuhou District, Chengdu	48.1	100.00%
27	Nanjing - Zijingsiji	Plots located to the north of Hanhou Road and west of Yulin Road, Moling Street, Jiangning District	46.4	50.00%
28	Nanjing - Zhonglou Tianzhu	Northeast side of the intersection of Fanyang Road and Yuren South Road, Fengtai District	43.6	100.00%
29	Beijing - Jiayeyu - Xisong	Plots located at the east of Yueji Road and north of Zonglv Road, Zhonglou District, Changzhou	42.1	100.00%
30	Haikou - Yangguangjun	Street 17, Changbin, West Coast, Haikou	40.3	100.00%
31	Jiaye - Huaxiyunjin	Linheli Street, Tongzhou District, Beijing	32.9	100.00%
32	Tangshan - Caofeidian Dachengjun	To the south of Xingang Road and west of Qingshang River, Caofeidian New City	32.7	100.00%
33	Beijing - Jinlinfu	Hexi District, Beijing Economic-Technological Development Area	32.3	100.00%
34	Beijing - Wangjing Star	Futong West Street, Chaoyang District, Beijing	30.6	100.00%

# MANAGEMENT DISCUSSION & ANALYSIS

**The Table of Land Reserve of the Group as at 31 December 2025 (continued)**

No.	Project Name	Geographical Location	Land Reserve Area (thousand sq.m.)	Percentage of the Group's Interest
35	Shanghai - East Bund	No. 115, Daqiao Street, Jiangpu Community, Yangpu District, Shanghai	28.1	100.00%
36	Beijing - Shangchengjun	Beiqijia	25.3	90.91%
37	Hefei - Nanqili	Shushan District, Hefei	24.8	100.00%
38	Phase II, III of Beijing - Yunzhou	Chaoyang Port, Shibalidian, Chaoyang District, Beijing	23.9	48.95%
39	Chengdu - Jinchendongfu	Groups 7, 12 and 13, Yinglong Community, Zhonghe Street, High-tech District, Chengdu	23.0	100.00%
40	Others		347.9	-

No.	Project Name	Geographical Location	Land Reserve Area (thousand sq.m.)	Percentage of the Group's Interest
	<b>Policy-related Housing</b>	Subtotal 4%	247.8	
1	Beijing - Jinlinjiayuan	Yancun Town, Fangshan District	162.5	100.00%
2	Beijing - Jिंगang Jiayuan	Tianzhu Town, Shunyi District	43.0	95.12%
3	Beijing - Fengqi Jiayuan	Anninghuang, Qinghe, Haidian District	40.3	100.00%
4	Beijing - Shanglin Jiayuan	East of Jiancaichengzhong Road, Xisanqi, Haidian District	2.0	100.00%

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.

# MANAGEMENT DISCUSSION & ANALYSIS

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.

# MANAGEMENT DISCUSSION & ANALYSIS

## 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	Notes 2 and 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.

# MANAGEMENT DISCUSSION & ANALYSIS

## 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)				
<b>Total</b>	<b>90,611.6</b>	<b>79,950.4</b>	<b>11.8</b>	<b>-17.4</b>	<b>-19.1</b>	<b>Increase of 1.9 percentage points</b>

### 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:

# MANAGEMENT DISCUSSION & ANALYSIS

- (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.

# MANAGEMENT DISCUSSION & ANALYSIS

## 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.

# MANAGEMENT DISCUSSION & ANALYSIS

## 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.

# MANAGEMENT DISCUSSION & ANALYSIS

- (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.

# MANAGEMENT DISCUSSION & ANALYSIS

## 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.

# MANAGEMENT DISCUSSION & ANALYSIS

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 scholars 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.

# MANAGEMENT DISCUSSION & ANALYSIS

### (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.

# MANAGEMENT DISCUSSION & ANALYSIS

## (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.

# MANAGEMENT DISCUSSION & ANALYSIS

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.

# MANAGEMENT DISCUSSION & ANALYSIS

## (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.

# MANAGEMENT DISCUSSION & ANALYSIS

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.

# MANAGEMENT DISCUSSION & ANALYSIS

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.

# MANAGEMENT DISCUSSION & ANALYSIS

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.

# MANAGEMENT DISCUSSION & ANALYSIS

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.

# MANAGEMENT DISCUSSION & ANALYSIS

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.

# MANAGEMENT DISCUSSION & ANALYSIS

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.

# MANAGEMENT DISCUSSION & ANALYSIS

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.

# MANAGEMENT DISCUSSION & ANALYSIS

## 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.

## Future Plans for Material Investments or Capital Assets

Save as disclosed in this report, as of 31 December 2025, the Group did not have future plans for material investments and investment in capital assets.

## 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
		<b>2,994,177,759.96</b>	<b>6,541,952,018.45</b>

*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.

# MANAGEMENT DISCUSSION & ANALYSIS

*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. (南京鉞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
	<b>8,331,558,407.01</b>	<b>3,922,215,688.92</b>

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.

# MANAGEMENT DISCUSSION & ANALYSIS

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 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.

# MANAGEMENT DISCUSSION & ANALYSIS

## Significant Events After the Balance Sheet Date

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

## Implementation of the Internal Control during the Reporting Period and the Improvement Direction in the Next Year

In 2025, the Company further streamlined the management structure to improve the management efficiency, and built a “1+6+X” management and control structure based on the Group’s headquarters, six secondary groups and several directly-managed professional units, effectively balancing the relationship between centralized management and decision-making authorization. The Company further optimized the management structure, comprehensively deepened the advancement of the reforms in-depth, integrated the business of cement group and cement group. The industry integration unleashed new momentum. Meanwhile, the Company classified its subsidiaries into four levels of management, and further clarified the strategic positioning and responsibilities at each level. The construction of internal control system was designed in a coordinated and hierarchical manner based on the “1+6+X” management and control structure, achieving full coverage of the internal control system for actual operating enterprises. The leadership responsibility system for internal control was further implemented. The Board is responsible for setting up and implementing adequate and effective internal control to effectively play the roles of “formulating strategies, making decisions, and preventing risks”. The chairman, as the first responsible person for internal control management, led the construction and supervision of internal control in all-around way, coordinated the development strategy of the entire group, and guided risk prevention and mitigation in a systematic manner within the Group. All departments of the headquarters cooperated with each other and performed their respective duties, and strictly complied with regulatory requirement such as control on separation of incompatible duties, control on authorization and approval, and power supervision and balance. The Company further intensified efforts on auditing supervision, initiated a new round of full coverage of three-year internal control supervision and evaluation, and completed the first-year task as scheduled. Through the annual self-evaluation on internal control, the Company maintained effective internal control in all major aspects in accordance with the requirements of the Standard System for Internal Control of Enterprises and relevant regulations, and found no major and important defects. The Company obtained an audit report on internal control with unqualified opinion issued by Deloitte Touche Tohmatsu Certified Public Accountants LLP.

# MANAGEMENT DISCUSSION & ANALYSIS

In 2026, based on the existing internal control system, the Company will further improve the internal control compliance system, thoroughly fulfill the responsibilities of the Board of the Group for establishing and improving internal control system, and incorporate the internal control compliance into the “15th Five-Year” development plan and annual plan of the Group for overall coordination and planning and simultaneous advancement. The Company will further deepen the integration of information system and internal control management, accelerate the construction of internal control informatization, embed the requirements of internal control and the timing of compliance review into business process, and enhance regular communication with business, finance and internal audit departments to improve the efficiency and effectiveness of internal control and increase operational efficiency. The Company will further strengthen the construction of internal control culture, enhanced the internal training on rules and regulations, enhance the ability to solve problems, and promote the transformation of trainings on systems from “massive irrigation” to “precise irrigation”, earnestly enhancing the quality and effectiveness of the training. At the same time, according to the new situation found during the implementation of the current internal control system, the Company will optimize and improve some business processes to ensure that the Company’s internal control system can adapt to environmental changes in time and keep the internal control system dynamic and effective.

## 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 RMB7,264.4 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.

# MANAGEMENT DISCUSSION & ANALYSIS

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.

# MANAGEMENT DISCUSSION & ANALYSIS

## 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

# MANAGEMENT DISCUSSION & ANALYSIS

## 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.

# REPORT OF THE DIRECTORS

The Directors have the pleasure in presenting to the shareholders their report of the directors and the audited financial statements of the Group for the year ended 31 December 2025. The Company was established and registered as a joint stock company with limited liability in the PRC under the Company Law of the PRC on 22 December 2005 and registered on 4 November 2009 as a non-Hong Kong company in Hong Kong under Part 16 of the Hong Kong Companies Ordinance. The H shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 29 July 2009. The A shares of the Company were listed on the Shanghai Stock Exchange on 1 March 2011.

## Principal Activities

The principal activities of the Company are investment holding and property investment. The Group is principally engaged in the manufacture and sale of cement and modern building materials, property development, property investment and provision of property management services. The activities of the Group's principal subsidiaries are shown on pages 319 to 328. An analysis of the performance of the operating segments of the Group for the year by business segments is set out in Note XIII. 1 to the financial statements.

## Results and Dividends

The results of the Group for the year ended 31 December 2025 and the financial position of the Group as at that date are set out in the financial statements on pages 141 to 142 and 138 to 140 of this Annual Report.

No interim dividend had been paid during the Reporting Period. The Directors recommend the payment of a final dividend of RMB0.05 per share (totaling approximately RMB533,888,556.70) for the year ended 31 December 2025 to the shareholders, subject to the approval of the shareholders of the Company at the forthcoming 2025 annual general meeting (the "2025 AGM").

As far as the Company is aware, as at the date of this Annual Report, there was no arrangement under which any shareholder has waived or agreed to waive any dividend proposed to be distributed for the Reporting Period.

# REPORT OF THE DIRECTORS

## **Business Review**

Details of the Group's business review as specified in Schedule 5 Rules 1 and 2 of the Hong Kong Companies Ordinance (Chapter 622) during the Reporting Period, including (i) the review of the Group's business; (ii) a description of the principal risks and uncertainties facing the Group; (iii) particulars of important events affecting the Company that have occurred since the end of the Reporting Period; (iv) an indication of likely future development in the Group's business; (v) an analysis using financial key performance indicators; (vi) a discussion on the Group's environmental policies and performance and the Group's compliance with the relevant laws and regulations that have a significant impact on the Group; and (vii) an account of the Group's key relationships with its key stakeholders such as employees that have a significant impact on the Group and on which the Group's success depends are set out in the sections headed "Management Discussion & Analysis" on pages 24 to 63 and "Report of the Directors" on pages 64 to 85 of this Annual Report.

## **Property, Plant and Equipment and Investment Properties**

Details of movements in the property, plant and equipment and investment properties of the Company and the Group during the Reporting Period are set out in Notes V. 19 and V. 18 to the financial statements, respectively. Further details of the Group's major investment properties are set out on page 37.

## **Five Years Financial Summary Information**

A summary of the published results and assets, liabilities and minority interests of the Group for the last five financial years is set out on page 380 of this Annual Report. This summary does not form part of the audited financial statements.

## **Bank Loans, Corporate Bonds and Notes**

Details of the Company's and the Group's short-term loans, bills payable, long-term loans and short-term financing bonds payable and bonds payable as at 31 December 2025 are set out in Notes V. 28, 29, 38 and 39 to the financial statements, respectively. During the Reporting Period, interest capitalized amounted to approximately RMB601,393,233.32 in total, details of which were set out in Note V. 59 to the financial statements.

# REPORT OF THE DIRECTORS

## Table of the Issuance of Bonds Payable as at the end of the Reporting Period

Unit: RMB

Items	Par value	Coupon rate (%)	Issuance date	Term	Issuance amount	Opening balance	Issuance amount during the year	Interest charged at par value	Amortisation of discount/premium	Repayment and payment of interest	Reclassified to due within one year	Closing balance	Is there a breach of contract
<b>Corporate bonds and medium-term notes:</b>													
RMB1.5 billion corporate bonds	RMB1.5 billion	2.80	12 July 2018	5+2 years	85,900,000.00	86,554,742.31	-	1,750,457.69	-	(88,305,200.00)	-	-	No
RMB4.5 billion corporate bonds	RMB4.5 billion	2.18	10 January 2020	5+2 years	4,500,000,000.00	4,670,595,106.29	-	71,953,970.42	4,285,714.29	(1,480,550,000.00)	(68,018,627.95)	3,198,266,163.05	No
RMB2.0 billion corporate bonds	RMB2.0 billion	3.00	16 June 2020	3+2 years	2,000,000,000.00	2,031,993,892.78	-	28,006,107.22	-	(2,060,000,000.00)	-	-	No
RMB1.5 billion corporate bonds	RMB1.5 billion	2.90	14 August 2020	3+2 years	879,000,000.00	887,277,955.15	-	17,213,044.65	-	(904,491,000.00)	-	-	No
RMB2.82 billion corporate bonds	RMB2.82 billion	2.00	5 November 2020	6 years	2,820,000,000.00	1,704,549,740.52	-	28,388,021.32	45,852,163.77	(26,670,377.35)	(1,752,129,548.26)	-	No
RMB1.0 billion corporate bonds	RMB1.0 billion	2.49	11 June 2021	3+2 years	1,000,000,000.00	795,463,506.99	-	19,546,500.00	278,710.70	(19,546,500.00)	(795,742,217.69)	-	No
RMB1.0 billion corporate bonds	RMB1.0 billion	2.24	13 October 2021	3+2 years	1,000,000,000.00	558,844,198.01	-	10,586,625.00	277,574.86	(12,432,000.00)	(557,276,367.87)	-	No
RMB2.0 billion corporate bonds	RMB2.0 billion	2.50	22 November 2021	3+2 years	2,000,000,000.00	1,389,020,788.38	-	37,481,951.35	-	(34,700,000.00)	(1,391,802,739.73)	-	No
RMB1.0 billion medium-term notes	RMB1.0 billion	2.93	31 May 2022	3 years	1,000,000,000.00	1,016,992,343.18	-	12,307,656.82	-	(1,029,300,000.00)	-	-	No
RMB1.0 billion medium-term notes	RMB1.0 billion	2.84	26 August 2022	3 years	1,000,000,000.00	1,009,732,600.95	-	18,466,483.92	200,915.13	(1,028,400,000.00)	-	-	No
RMB800 million corporate bonds	RMB800 million	2.53	26 April 2024	1+1+1 years	800,000,000.00	813,106,200.07	10,000,000.00	20,773,252.00	-	(32,329,531.45)	(811,549,920.62)	-	No
RMB1.0 billion corporate bonds	RMB1.0 billion	2.44	22 April 2024	3+2 years	1,000,000,000.00	1,015,184,303.26	-	24,399,999.96	387,159.83	(24,400,000.00)	(16,808,888.82)	998,762,574.23	No
RMB1.0 billion medium-term notes	RMB1.5 billion	2.87	6 February 2024	5+2 years	1,500,000,000.00	1,538,921,917.81	-	42,932,054.83	-	(43,050,000.00)	(38,803,972.64)	1,500,000,000.00	No
RMB2.0 billion medium-term notes	RMB2.0 billion	2.84	4 March 2024	3+2 years	2,000,000,000.00	2,047,151,780.82	-	56,800,000.00	-	(56,800,000.00)	(47,151,780.82)	2,000,000,000.00	No
RMB1.0 billion corporate bonds	RMB1.0 billion	2.35	8 July 2024	5 years	1,000,000,000.00	1,009,123,567.84	-	23,500,000.05	500,000.00	(23,500,000.00)	(11,395,890.41)	998,227,677.48	No
RMB1.0 billion corporate bonds	RMB1.0 billion	2.67	8 July 2024	10 years	1,000,000,000.00	1,010,553,316.71	-	26,700,000.00	250,000.00	(26,700,000.00)	(12,947,671.23)	997,855,645.48	No
RMB2.0 billion medium-term notes	RMB2.0 billion	2.29	23 September 2024	5 years	2,000,000,000.00	2,012,547,945.21	-	45,800,000.00	-	(45,800,000.00)	(12,547,945.21)	2,000,000,000.00	No
RMB1.0 billion corporate bonds	RMB1.0 billion	1.99	17 December 2024	3+2 years	1,000,000,000.00	998,335,140.91	-	19,900,000.00	833,333.33	(19,900,000.00)	(817,808.22)	998,350,666.02	No
RMB1.0 billion corporate bonds	RMB1.0 billion	2.15	20 September 2024	3+2 years	1,000,000,000.00	1,004,070,202.61	-	21,500,000.04	385,124.10	(21,500,000.00)	(5,652,777.83)	998,602,548.92	No
RMB1.0 billion corporate bonds	RMB1.0 billion	1.99	20 January 2025	3+2 years	1,000,000,000.00	-	968,000,000.00	18,849,722.19	477,004.65	-	(18,849,722.14)	968,477,004.70	No
RMB1.5 billion medium-term notes	RMB1.5 billion	2.35	10 November 2025	5 years	1,500,000,000.00	-	1,500,000,000.00	5,021,917.81	-	-	(5,021,917.81)	1,500,000,000.00	No
Sub-total					30,084,900,000.00	25,600,019,249.80	2,478,000,000.00	591,887,765.47	53,727,700.66	(6,978,374,608.80)	(5,546,717,827.25)	16,158,542,279.88	
<b>Short-term financing bond:</b>													
RMB2.0 billion ultra-short financing bonds	RMB2.0 billion	2.06	23 August 2024	210 days	2,000,000,000.00	2,014,786,849.32	-	8,917,260.27	-	(2,023,704,109.59)	-	-	No
RMB1.0 billion ultra-short financing bonds	RMB1.0 billion	2.10	13 September 2024	245 days	1,000,000,000.00	1,006,328,767.12	-	7,767,123.29	-	(1,014,095,890.41)	-	-	No
RMB2.0 billion ultra-short financing bonds	RMB2.0 billion	2.04	20 November 2024	247 days	2,000,000,000.00	2,004,694,794.52	-	22,915,068.49	-	(2,027,609,863.01)	-	-	No
RMB1.0 billion ultra-short financing bonds	RMB1.0 billion	1.82	19 December 2024	267 days	1,000,000,000.00	1,000,648,219.18	-	12,665,205.48	-	(1,013,313,424.66)	-	-	No
RMB2.0 billion ultra-short financing bonds	RMB2.0 billion	1.92	18 February 2025	269 days	2,000,000,000.00	-	2,000,000,000.00	28,300,273.97	-	(2,028,300,273.97)	-	-	No
RMB1.0 billion ultra-short financing bonds	RMB1.0 billion	1.65	17 September 2025	100 days	1,000,000,000.00	-	1,000,000,000.00	4,520,547.95	-	(1,024,520,547.95)	-	-	No
RMB1.0 billion ultra-short financing bonds	RMB1.0 billion	1.68	18 December 2025	56 days	1,000,000,000.00	-	1,000,000,000.00	644,383.56	-	-	-	1,000,644,383.56	No
Sub-total					10,000,000,000.00	6,026,458,630.14	4,000,000,000.00	85,729,863.01	-	(8,111,544,109.59)	-	1,000,644,383.56	No

# REPORT OF THE DIRECTORS

Description of the issuance of the medium-term notes, corporate bonds and super short-term financing bonds during the Reporting Period:

1. As registered with the document (Zhong Shi Xie Zhu [2023] No. DFI6) of the National Association of Financial Market Institutional Investors, the Company publicly issued the medium-term notes on 4 February 2024, which was known as the first tranche of medium-term notes of BBMG Corporation for 2024 (stock code: 102480469, bond abbreviation: 24 BBMG MTN001), with a term of 5+2 years. The issue amount was RMB1.5 billion, with a coupon rate of 2.87%. The medium-term notes shall bear interest at a fixed rate, which were accrued annually with simple interest instead of compounding interest, with the issuer's option to adjust the coupon rate at the end of the fifth year and the investors' entitlement to sell back the bonds.
2. As registered with the document (Zhong Shi Xie Zhu [2023] No. DFI6) of the National Association of Financial Market Institutional Investors, the Company publicly issued the medium-term notes on 1 March 2024, which was known as the second tranche of medium-term notes of BBMG Corporation for 2024 (stock code: 102480671, bond abbreviation: 24 BBMG MTN002), with a term of 5+2 years. The issue amount was RMB2.0 billion, with a coupon rate of 2.84%. The medium-term notes shall bear interest at a fixed rate, which were accrued annually with simple interest instead of compounding interest, with the issuer's option to adjust the coupon rate at the end of the fifth year and the investors' entitlement to sell back the bonds.
3. As registered with the document (Zheng Jian Xu Ke [2024] No. 412) of the China Securities Regulatory Commission, the Company publicly issued the corporate bonds on 26 April 2024, which was known as the first tranche of renewable scientific and technological innovation corporate bonds of BBMG Corporation for 2024 to professional investors by way of public issuance (stock code: 240961, bond abbreviation: BBMG KY06). The issue amount was RMB1.5 billion with a coupon rate of 2.49%. The basic term of the bonds shall be 3 years, with every 3 interest-bearing years as a cycle (repricing cycle) and an option of renewal at the end of each agreed cycle that the issuer has the right to choose to extend the term of the bonds for one cycle, or choose to redeem the bonds in full at the expiration of the repricing cycle. The bonds shall bear interest at a fixed rate, which were accrued annually with simple interest instead of compounding interest. In case of any deferment, each deferred interest will accrue during the deferral period at the current coupon rate.

# REPORT OF THE DIRECTORS

4. As registered with the document (Zheng Jian Xu Ke [2024] No. 412) of the China Securities Regulatory Commission, the Company publicly issued the corporate bonds on 8 July 2024, which was known as the first tranche of scientific and technological innovation corporate bonds of BBMG Corporation for 2024 (type one) and (type two) to professional investors by way of public issuance.

The issue amount of type one (stock code: 241214, bond abbreviation: 24 BBMG K1) was RMB1.0 billion with a coupon rate of 2.35%. The term shall be 5 years. The bonds shall bear interest at a fixed rate, which were accrued annually with simple interest instead of compounding interest, and its principal amount will be paid in a lump sum upon maturity.

The issue amount of type two (stock code: 241215, bond abbreviation: 24 BBMG K2) was RMB1.0 billion with a coupon rate of 2.67%. The term shall be 10 years. The bonds shall bear interest at a fixed rate, which were accrued annually with simple interest instead of compounding interest, and its principal amount will be paid in a lump sum upon maturity.

5. As registered with the document (Zheng Jian Xu Ke [2024] No. 412) of the China Securities Regulatory Commission, the Company publicly issued the corporate bonds on 12 August 2024, which was known as the second tranche of renewable scientific and technological innovation corporate bonds of BBMG Corporation for 2024 (type one) and (type two) to professional investors by way of public issuance.

The issue amount of type one (stock code: 241426, bond abbreviation: BBMG KY07) was RMB1.0 billion with a coupon rate of 2.15%. The basic term of the bonds shall be 3 years, with every 3 interest-bearing years as a cycle (repricing cycle) and an option of renewal at the end of each agreed cycle that the issuer has the right to choose to extend the term of the bonds for one cycle, or choose to redeem the bonds in full at the expiration of the repricing cycle. The bonds shall bear interest at a fixed rate, which were accrued annually with simple interest instead of compounding interest. In case of any deferment, each deferred interest will accrue during the deferral period at the current coupon rate.

The issue amount of type two (stock code: 241427, bond abbreviation: BBMG KY08) was RMB0.5 billion with a coupon rate of 2.24%. The basic term of the bonds shall be 5 years, with every 5 interest-bearing years as a cycle (repricing cycle) and an option of renewal at the end of each agreed cycle that the issuer has the right to choose to extend the term of the bonds for one cycle, or choose to redeem the bonds in full at the expiration of the repricing cycle. The bonds shall bear interest at a fixed rate, which were accrued annually with simple interest instead of compounding interest. In case of any deferment, each deferred interest will accrue during the deferral period at the current coupon rate.

# REPORT OF THE DIRECTORS

6. As registered with the document (Zhong Shi Xie Zhu [2023] No. DFI6) of the National Association of Financial Market Institutional Investors, the Company publicly issued the super short-term financing bonds on 22 August 2024, which was known as the first tranche of ultra short-term financing bonds of BBMG Corporation for 2024 (stock code: 012482541, bond abbreviation: 24 BBMG SCP001) with a term of 210 days. The total issue amount was RMB2.0 billion with a coupon rate of 2.06%. The principal amount of super short-term financing bonds will be paid in a lump sum together with interests upon maturity.
7. As registered with the document (Zhong Shi Xie Zhu [2023] No. DFI6) of the National Association of Financial Market Institutional Investors, the Company publicly issued the super short-term financing bonds on 12 September 2024, which was known as the second tranche of ultra short-term financing bonds of BBMG Corporation for 2024 (stock code: 012483065, bond abbreviation: 24 BBMG SCP002) with a term of 245 days. The total issue amount was RMB1.0 billion with a coupon rate of 2.10%. The principal amount of super short-term financing bonds will be paid in a lump sum together with interests upon maturity.
8. As registered with the document (Zhong Shi Xie Zhu [2023] No. DFI6) of the National Association of Financial Market Institutional Investors, the Company publicly issued the medium-term notes on 20 September 2024, which was known as the third tranche of medium-term notes of BBMG Corporation for 2024 (stock code: 102484221, bond abbreviation: 24 BBMG MTN003) with a term of 5 years. The total issue amount was RMB2.0 billion with a coupon rate of 2.29%. The medium-term notes shall bear interest at a fixed rate, which were accrued annually with simple interest instead of compounding interest, and its principal amount will be paid in a lump sum upon maturity.
9. As registered with the document (Zhong Shi Xie Zhu [2023] No. DFI6) of the National Association of Financial Market Institutional Investors, the Company publicly issued the super short-term financing bonds on 19 November 2024, which was known as the third tranche of ultra short-term financing bonds of BBMG Corporation for 2024 (stock code: 012483659, bond abbreviation: 24 BBMG SCP003) with a term of 247 days. The total issue amount was RMB2.0 billion with a coupon rate of 2.04%. The principal amount of super short-term financing bonds will be paid in a lump sum together with interests upon maturity.
10. As registered with the document (Zheng Jian Xu Ke [2024] No. 412) of the China Securities Regulatory Commission, the Company publicly issued the corporate bonds on 2 December 2024, which was known as the third tranche of renewable scientific and technological innovation corporate bonds of BBMG Corporation for 2024 (type one) and (type two) to professional investors by way of public issuance.

# REPORT OF THE DIRECTORS

The issue amount of type one (stock code: 242069, bond abbreviation: BBMG KY09) was RMB0.5 billion with a coupon rate of 2.22%. The basic term of the bonds shall be 2 years, with every 2 interest-bearing years as a cycle (repricing cycle) and an option of renewal at the end of each agreed cycle that the issuer has the right to choose to extend the term of the bonds for one cycle, or choose to redeem the bonds in full at the expiration of the repricing cycle. The bonds shall bear interest at a fixed rate, which were accrued annually with simple interest instead of compounding interest. In case of any deferment, each deferred interest will accrue during the deferral period at the current coupon rate.

The issue amount of type two (stock code: 242070, bond abbreviation: BBMG KY10) was RMB1.0 billion with a coupon rate of 2.30%. The basic term of the bonds shall be 3 years, with every 3 interest-bearing years as a cycle (repricing cycle) and an option of renewal at the end of each agreed cycle that the issuer has the right to choose to extend the term of the bonds for one cycle, or choose to redeem the bonds in full at the expiration of the repricing cycle. The bonds shall bear interest at a fixed rate, which were accrued annually with simple interest instead of compounding interest. In case of any deferment, each deferred interest will accrue during the deferral period at the current coupon rate.

11. As registered with the document (Zheng Jian Xu Ke [2024] No. 412) of the China Securities Regulatory Commission, the Company publicly issued the corporate bonds on 17 December 2024, which was known as the second tranche of scientific and technological innovation corporate bonds of BBMG Corporation for 2024 to professional investors by way of public issuance (stock code: 242163, bond abbreviation: 24 BBMG K3). The issue amount was RMB1.0 billion, with a coupon rate of 1.99% and a term of 3+2 years. The notes shall bear interest at a fixed rate, which were accrued annually with simple interest instead of compounding interest, with the issuer's option to adjust the coupon rate at the end of the third year and the investors' entitlement to sell back the bonds.
12. As registered with the document (Zhong Shi Xie Zhu [2023] No. DFI6) of the National Association of Financial Market Institutional Investors, the Company publicly issued the super short-term financing bonds on 18 December 2024, which was known as the fifth tranche of super short-term financing bonds of BBMG Corporation for 2024 (stock code: 012483992, bond abbreviation: 24 BBMG SCP005) with a term of 267 days. The total issue amount was RMB1.0 billion with a coupon rate of 1.82%. The principal amount of super short-term financing bonds will be paid in a lump sum together with interests upon maturity.

The proceeds of the medium-term notes, corporate bonds and super short-term financing bonds were used for general working capital, including but not limited to the capital requirements for project investments and capital operations.

# REPORT OF THE DIRECTORS

## Permitted Indemnity Provision

Pursuant to the Articles of Association of the Company, all Directors, general manager and other senior management members shall be entitled to be indemnified by the Company out of the assets of the Company against all costs, charges, losses, damages and expenses which he/she may sustain or incur from the execution and discharge of his or her duties or in relation thereto. Such permitted indemnity provision for the benefit of the Directors, general manager and other senior management members is currently in force as at the date of this Annual Report and has been in force throughout the Reporting Period. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors, general manager and other senior management members of the Company during the Reporting Period.

## Environmental Protection Policies

During the Reporting Period, the Company strictly complied with the requirements of national environmental protection laws, regulations, standards and specifications, fulfilled the social responsibilities and commitments of a state-owned enterprise, and contributed to the construction of ecological civilization. We vigorously developed circular economy as well as low-carbon and environmentally-friendly businesses, and embarked on the path of green and sustainable development. The Company actively promoted the construction of environmental standardization, improved the environmental protection management system, enhanced environmental protection awareness, implemented environmental protection responsibilities, assessed and controlled environmental risks, and conducted strict evaluations. We carried out environmental treatment and improvement to ensure that environmental protection facilities and control measures were in place. All enterprises installed online monitoring facilities as required, and completely sealed off materials during transportation and storage. The Company paid environmental protection taxes in full and on time, conducted environmental monitoring and information disclosure as required, and strictly implemented the contingency plan for severely pollution-prone weather conditions. We timely adjusted emergency measures in accordance with the requirements of government departments; no major environmental pollution accidents occurred during the year.

## Relationships with Customers, Suppliers and Employees

Currently, the Company's principal businesses cover two major business segments, namely modern green building materials segment and property development and operation segment, and its main products involve various offerings, including cement, ready-mixed concrete, furniture and woods, decorative and fitting materials, wall body and insulation materials, refractory materials, affordable housing, commodity housing and investment properties, with diversified customer composition. By adhering to the objective of "customer first", the Company actively arrange its overall sales channels while enhancing its after-sales service quality, so as to establish long-term stable cooperation relationships and promote good win-win relationships with customers, as well as strengthen its position in the industry and market image.

For a long time, the Company persists in the equal consultation, mutual benefit and win-win principle, and always establishes long-term strategic partnership with suppliers with good qualification, reputation and high-quality products and services.

# REPORT OF THE DIRECTORS

The Company firmly fosters a people-oriented development philosophy. Based on development of harmonious labor relations and protection of employees' legal interests, the Company strives to promote building of a service, innovation, learning-oriented team to condense talented people and realize their value, providing talent assurance for the Company's long-term development.

## **Compliance with the Relevant Laws and Regulations which have a Significant Impact on the Group**

During the Reporting Period, the Group had compliance policies and procedures in place to ensure compliance in all material respects with applicable laws, rules and regulations which have a significant impact on the Group, including the PRC Company Law, the Code of Corporate Governance for Listed Companies (《上市公司治理準則》), the Rules for the General Meetings of Shareholders of Listed Companies (《上市公司股東大會規則》), and the Guidelines on Articles of Association of Listed Companies (《上市公司章程指引》). During the Reporting Period, the Group was committed to ensuring compliance with these laws and regulations through various measures, such as internal controls and risk management, approval procedures and training programs for directors and senior management. During the Reporting Period, as far as the Board and management are aware, there was no material breach or non-compliance by the Group with the applicable laws, rules and regulations which have a significant impact on the Group.

## **Share Capital and Sufficiency of Public Float**

Details of movements in the share capital of the Company during the Reporting Period are set out in Note V. 46 to the financial statements.

Up to the date of this Annual Report, based on publicly available information and to the knowledge of the Directors, the Company has been complying with the prescribed public float requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

## **Reserves**

Details of movements in the reserves of the Company and the Group during the Reporting Period are set out in Notes V. 46, 47, 48, 49, 50, 51, 52 and 53 to the financial statements, the audited consolidated statement of changes in shareholders' equity and the audited statement of changes in shareholders' equity of the Company.

# REPORT OF THE DIRECTORS

## Distributable Reserves of the Company

As at 31 December 2025, an amount of approximately RMB15,701,172,763.69 standing to the credit of the Company's reserve account is available for distribution, of which approximately RMB533,888,556.70 has been proposed as a final dividend for the year.

## Directors

The Directors of the Company who held office during the Reporting Period and up to the date of this Annual Report were as follows:

### *Executive Directors:*

Jiang Yingwu

Gu Yu

Zheng Baojin

Jiang Changlu (*resigned on 12 August 2025*)

### *Non-executive Directors:*

Kong Qinghui (*appointed on 10 November 2025*)

Gu Tiemin

Zhao Xinjun (*appointed on 25 November 2025*)

Hao Liwei (*resigned on 10 November 2025*)

### *Independent non-executive Directors:*

Liu Taigang

Hong Yongmiao

Tam Kin Fong

Yin Yuanping (*appointed on 25 November 2025*)

Yu Fei (*resigned on 4 March 2025*)

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.

# REPORT OF THE DIRECTORS

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 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, Mr. Zhao Xinjun and Ms. Yin Yuanping were 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 in relation to the 2025 Second EGM dated 30 October 2025.

# REPORT OF THE DIRECTORS

## 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**”) were 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 were 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.

## Directors' and Senior Management's Biographies

Biographical details of the Directors and the senior management of the Group are set out on pages 9 to 17 of this Annual Report.

## Directors' Service Contracts

None of the Directors has entered into a service contract with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation, other than normal statutory compensation.

## Controlling Shareholders' Interests in Contracts

Saved as disclosed in the section “Report of the Directors — Related Party Transactions” above, neither the Company nor any of its subsidiaries had entered into any contract of significance with the Company's controlling shareholders or their subsidiaries, or any contract of significance for the provision of services to the Company or any of its subsidiaries by the Company's controlling shareholders or their subsidiaries during the Reporting Period.

# REPORT OF THE DIRECTORS

## **Directors' Interests in Transactions, Arrangements or Contracts**

No Director or entity connected with a Director, either directly or indirectly, has any interests in any transactions arrangements or contracts of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during the Reporting Period.

## **Directors' Interests in Businesses Competing with the Group**

None of the Directors has interests in any business which directly or indirectly competes or may compete with the Group.

## **Employee Retirement Plan**

Please refer to Notes III. 19 and V. 33 and 42 to the financial statements for details of the Group's employee retirement plan.

## **Management Contracts**

No contract concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the Reporting Period.

## **Directors' Remunerations**

Details of the remunerations of the Directors of the Company are set out in Note XIII. 2(1) and (2) to the financial statements.

According to the relevant regulations in relation to the remuneration management of the Company and completion of the results of each year, the Company proposes and submits the annual remuneration of the executive Directors for the consideration and approval at the annual general meeting of that year.

# REPORT OF THE DIRECTORS

The remuneration of the non-independent directors will be determined by the shareholders of the Company at the shareholders' general meetings held for election of Directors by the Company based on the corporate policy on directors' remuneration as well as their workload and responsibilities. Currently, the non-executive directors and directors democratically elected by the staff of the Company will not receive any remuneration separately. The remuneration of the independent directors will be determined by the shareholders of the Company at the shareholders' general meetings held for approving their appointment based on the corporate policy on directors' remuneration as well as their workload and responsibilities. At present, the independent directors will receive RMB150,000 per year (before tax).

None of the Directors has waived or agreed to waive any emoluments and there were no amounts paid by the Group to the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

## Top Five Highest-Paid Employees

Details of the top five highest-paid employees of the Company during the Reporting Period are set out in Note XIII. 2(3) to the financial statements.

No remuneration was paid by the Group to any of the non-director and non-chief executive highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office for the year ended 31 December 2025.

## Interests and Short Positions of Directors and Chief Executive Officer in Shares and Underlying Shares

As at 31 December 2025, none of the Directors or chief executive officer of the Company had an interest or short position in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which 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.

# REPORT OF THE DIRECTORS

## Model Code for Securities Transactions by Directors

The Company has adopted the model code for securities transactions by the Directors and relevant employees on terms no less exacting than the required standards set out in the Model Code. Relevant employees who are likely to be in possession of 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 Director and relevant employees not in compliance with the Model Code during the Reporting Period. Specific enquiry has been made to all Directors, who have confirmed that they had complied with the Model Code during the Reporting Period.

## Pre-Emptive Rights

There is no provision regarding pre-emptive rights under the Articles of Association or in the laws of the PRC which would oblige the Company to offer new shares to its existing shareholders on a pro rata basis.

## Charitable Donations

Charitable donations made by the Group during the Reporting Period amounted to RMB81,411.57 (for the year ended 31 December 2024: RMB871,822.47).

## Taxation for Shareholders of H Shares

According to the Law on Enterprise Income Tax of the People's Republic of China and its implementing rules which came into effect on 1 January 2008 (the "Tax Law"), the Company is required to withhold enterprise income tax at the rate of 10% before distributing the final dividend to non-resident enterprise Shareholders whose names appear on the Company's H share register of members. Any H Shares registered in the name of non-individual registered Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations, shall be deemed as shares held by non-resident enterprise Shareholders and therefore their dividends receivables will be subject to the withholding of the enterprise income tax. The Company will not withhold individual income tax in respect of the dividends payable to any natural person Shareholders whose names appear on the Company's H share register of members on the record date.

# REPORT OF THE DIRECTORS

The Company will withhold payment of the enterprise income tax strictly in accordance with the relevant laws or requirements of the relevant governmental departments and strictly based on what has been registered on the Company's H share register of members on the record date. The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the Shareholders or any disputes over the mechanism of withholding of enterprise income tax.

## Profit Distribution for Investors of Northbound Trading

For investors (including enterprises and individuals) investing in the A shares of the Company (the "**A Shares**") listed on the Shanghai Stock Exchange through The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") (the "**Northbound Trading**"), their dividends will be distributed in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the tax authorities for the withholding. For investors of Northbound Trading who are tax residents of other countries and whose country of tax residency is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authorities of the Company for the entitlement of the rate under such tax treaty. Upon approval by the competent tax authorities, the paid amount in excess of the tax payable based on the tax rate under such tax treaty will be refunded to those enterprises and individuals by the competent tax authorities.

The record date and the date of distribution of cash dividends and other arrangements for the investors of Northbound Trading will be the same as those for the holders of A Shares.

## Profit Distribution for Investors of Southbound Trading

For investors (including enterprises and individuals) investing in the H Shares listed on Hong Kong Stock Exchange through the Shanghai Stock Exchange (the "**Southbound Trading**"), in accordance with the Agreement on Distribution of Cash Dividends of H Shares for Southbound Trading (港股通H股股票現金紅利派發協議) to be signed between the Company and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the holders of H Shares for Southbound Trading, will receive cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of H Shares of Southbound Trading through its depository and clearing system.

# REPORT OF THE DIRECTORS

The cash dividends for the investors of H Shares of Southbound Trading will be paid in RMB.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知) (Caishui [2014] No. 81), for dividends received by domestic individual investors from investing in H Shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the companies of such H Shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The companies of such H Shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax payable themselves.

The record date and the date of distribution of cash dividends and other arrangements for the investors of Southbound Trading will be the same as those for the holders of H Shares.

H Share Shareholders of the Company are recommended to consult their own tax advisers on the relevant tax impact in the PRC, Hong Kong and other countries (regions) on the possession and disposal of H Shares of the Company.

Investors should note that the Company has no obligation and will not be responsible for confirming the identities of any Shareholders. The Company will withhold and pay for the enterprise income tax, strictly in accordance with the Tax Law and the relevant rules and regulations, based on the information contained in the Company's register of members of H Shares on the Record Date. The Company owes no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the Shareholders or any disputes over the withholding arrangement.

## **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.

## **Transactions in Respect of the Group's Own Securities**

During the Reporting Period, the Group had neither issued nor granted any convertible securities, options, warrants or other similar rights. During the Reporting Period, no convertible securities, options, warrants or other similar rights issued or granted by the Group were exercised. As at 31 December 2025, the Group had no redeemable or outstanding securities.

# REPORT OF THE DIRECTORS

## **Loan Arrangements Granted to Entities**

For the year ended 31 December 2025, the Group did not grant any loan to any entity which is subject to disclosure requirements under Rule 13.13 of the Listing Rules.

## **Pledge of Shares by Controlling Shareholders**

For the year ended 31 December 2025, there was no pledge of Shares by the controlling shareholders of the Company.

## **Breach of Loan Agreements**

For the year ended 31 December 2025, there was no breach of the loan agreements by the Company in which the loan involved would have a significant impact on the business operations of the Company.

## **Financial Assistance and Guarantees to Affiliated Companies**

For the year ended 31 December 2025, there was no financial assistance or guarantee to affiliated companies by the Company which is subject to disclosure under Rule 13.13.

## **Guarantee regarding the Financial Performance of a Company or Business Acquired**

For the year ended 31 December 2025, there was no guarantee regarding the financial performance of a company or business acquired which is subject to disclosure requirements under Rule 14.36B and/or Rule 14A.63 of the Listing Rules.

## **Directors' Rights to Acquire Shares or Debenture**

Save as disclosed in this Annual Report, at no time during and at the end of the Reporting Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate; and none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

## **Equity-linked Agreements**

No equity linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year ended 31 December 2025 or subsisted at the end of the year ended 31 December 2025.

# REPORT OF THE DIRECTORS

## 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 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 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)).

# REPORT OF THE DIRECTORS

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 report, 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.

# REPORT OF THE DIRECTORS

## Major Customers and Suppliers

During the Reporting Period, sales to the Group's five largest customers accounted for less than 30% of the total sales for the year and purchase from the Group's five largest suppliers accounted for less than 30% of the total purchase for the year.

## Competition and Conflict of Interests

None of the Directors or the management shareholders as defined under the Listing Rules of the Company or their respective associates has any interest in a business which competes or may compete with the business of the Group or has any other conflict of interests with the Group.

## Connected Transactions and Continuing Connected Transactions

Pursuant to Chapter 14A of the Listing Rules, the Group had no connected transaction or disclosable continuing connected transaction during the Reporting Period within the meaning of the Listing Rules which are required to be disclosed in the annual report of the Company.

## Related Party Transactions

Details of the significant related party transactions entered into by the Group during the Reporting Period are set out in Note X to the financial statements. To the best knowledge of the Directors, none of these related party transactions constitutes connected transactions that need to be disclosed under the Listing Rules.

## 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 on the date of the annual general meeting for the year of 2024 of the Company.

# REPORT OF THE DIRECTORS

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

On behalf of the Board

**Jiang Yingwu**

*Chairman & Executive Director*

Beijing, the PRC

30 March 2026

# INVESTOR RELATIONS REPORT

## Overview

The Group strongly believes that effective and close communications with the shareholders of the Company is the key to maintaining good corporate governance and investor relations are an integral part of maintaining good corporate governance of a listed company. The Group has been actively maintaining contact with investors and keeping them abreast of the latest industry updates, corporate communications and business development in a timely manner, so as to establish a platform for fair, open, accurate and transparent information disclosure and facilitating two-way communication between investors and the Group. The Board secretary and the director of the Board Office, Zhang Jianfeng is responsible for the investor relations of the Group with the full support from the Board and the senior management.

In addition, the chairman is the first person responsible for information disclosure of the Company, and the Board secretary, Zhang Jianfeng and the work department of the Board are specifically responsible for the disclosure of information and management of investor relations. In order to ensure the quality and fairness of the Company's information disclosure and investor relations management, the Company has also formulated relevant systems such as the System on Managing Investor Relationship, the Information Disclosure Management System and the Measures for Management of the Accountability for Material Errors in Annual Report Disclosure. The Company strictly complies with the provisions of laws, regulations, and various systems to disclose relevant information truthfully, accurately, completely and promptly, ensuring that all shareholders obtain information fairly and equally.

During the Reporting Period, the Group actively participated in various investor relations activities and provided on-time information to investors through the company website. In active response to the requirements of the Shanghai Stock Exchange on market capitalization management, the Company has formulated and released the Market Capitalization Management System and the Valuation Enhancement Plan for 2025. On the basis of improving the quality of the business development, the Company will firmly focus on the core business, enhance operational efficiency and profitability and comprehensively utilize various market capitalization management tools to enhance the Company's investment value and shareholder returns.

At the same time, the Group has also demonstrated a high level of compliance with the Listing Rules and relevant requirements under the Hong Kong Stock Exchange during the Reporting Period.

# INVESTOR RELATIONS REPORT

## Investor Relations Review

### 1. Meetings with Investors

Upon the publication of the results announcement, the Group endeavors to continue to actively convey a clear message to the sizable and major investment banks and investors about the Group's latest operational and financial performances and business prospect for the investors' deeper and clearer understanding of excellent opportunities and platform of the Group.

During the Reporting Period, the management of the Group continued to enhance communication with investors, and held an annual report analyst conference at its headquarters. Researchers from several leading securities dealer and public funds attended the conference to exchange views on the future development prospects of the Company with the management. The Company convened results presentations for the annual report, interim report and the third quarterly report at the roadshow center of the Shanghai Stock Exchange, to convey the investment value of the Company to the investors and capital market. After the annual report was released, the leaders of the Company went to Hong Kong, Shenzhen and Shanghai to carry out the 2024 annual results roadshows of the Group together with the roadshow team, and met more than 40 domestic and international institutional investors. The Company organized the Listed Companies Association of Beijing and listed companies in Beijing to visit the "Intelligent Manufacturing Workshop" and conducted exchanges and discussions on the topic of market capitalization management. After the interim report was released, the Company carried out non-deal roadshows in Beijing, Shenzhen and Shanghai and communicated with more than 30 institutional investors. The Company actively participated in strategy meetings of major securities firms such as CICC and Huatai Securities and exchanged with various investors; conducted the results presentation and reverse roadshows; held 3 results presentations and 4 telephone conferences for analysts and received a total of 279 visits by analysts and institutional investors throughout the year; answered more than 100 investor relations hotlines; and responded to 95 questions on the Shanghai Stock Exchange E-interactive Platform.

### 2. Ongoing Communications with Shareholders, Investors and Analysts

The Group has adopted an active and progressive approach to provide the shareholders and investors of the Company with the opportunity to communicate with the senior management of the Group through one-on-one and group meetings and interaction to share with them the financial performance, business updates and future prospects of the Group from time to time. The Group also believes that the shareholders' general meetings is an important channel for communication with its shareholders and investors and encourages an open dialogue between its shareholders and the directors and/or senior management of the Company.

# INVESTOR RELATIONS REPORT

## 3. Results Announcement

The Group had prepared detailed results reports and presentation materials upon finalization of interim and annual results of the Group. Investors' teleconferences were also held to provide updates in relation to the market environment, financial performance, operating strategies and future prospects to the public in an accurate and effective manner, so as to maintain the Group's transparent investor relations strategy and strengthen the communications with the public.

## 4. Maintaining Two-Way Communications with Media

The Group endeavors to maintain a close relationship with the overseas and local media, and disseminate the Group's updates to the public through various channels, ranging from organizing investors' teleconference for the quarterly, interim and annual results announcements to issuing regular press releases and arranging media interviews with the management of the Group, and thus increasing the Group's publicity and further strengthening its corporate image and position.

## 5. Timely Dissemination of Latest Corporate Updates

The Company's website is considered to be one of the quickest means to communicate with investors. The Group regularly updated the contents of the Company's website ([www.bbmj.com.cn](http://www.bbmj.com.cn)), disseminated the latest corporate updates, developments and disclosed financial information of the Group so as to enable the public to obtain such information in a timely manner. In addition, the Group also swiftly responded to different enquiries made by the shareholders of the Company, investors, analysts and media by means of email, facsimile and telephone; and published announcements, press releases and other latest updates on the development of the Group, so as to strengthen the effectiveness of information dissemination.

## Prospects

The foundation of investor relations is based on the seamless integration of advanced corporate communication strategies and the dedicated involvement by the senior management of the Group. In the coming year, the Group will continue to maintain highly transparent and effective corporate governance practices and is endeavored to maintain timely and accurate information dissemination and quality disclosure in order to strengthen the relationship with investors.

The Group also welcomes constructive recommendation and feedback from the investment community. With the invaluable support from the investors and the public, the Group is committed to providing the best investor relations service and continuously improving the quality and transparency of public disclosure so as to maximize the return to the shareholders of the Company.

# INVESTOR RELATIONS REPORT

## Investor Information

### 1 Share Particulars

#### *H Shares*

Listing date	29 July 2009
Board lot	1,000 shares
Number of issued H shares	2,338,764,870 shares (as at 31 December 2025 and 30 March 2026)
Stock code	02009.HK

#### *A Shares*

Listing date	1 March 2011
Board lot	100 shares
Number of issued A shares	8,339,006,264 shares (as at 31 December 2025 and 30 March 2026)
Stock code	601992.SH

### 2 Financial Calendar

2024 annual results announcement	published on 28 March 2025
2025 first quarterly results announcement	published on 30 April 2025
2025 interim results announcement	published on 27 August 2025
2025 third quarterly results announcement	published on 30 October 2025
2025 annual results announcement	published on 30 March 2026
Closure of register of H shares members for attending the 2024 AGM	from 20 May 2025 to 23 May 2025
2024 AGM	23 May 2025
Closure of register of H shares members for attending the 2025 AGM	from 1 June 2026 to 4 June 2026
2025 AGM	4 June 2026
Financial year end	31 December

# INVESTOR RELATIONS REPORT

## 3 Dividends

2024 final dividend	RMB0.05 per share
Closure of register of H shares members for 2024 final dividend	from 2 June 2025 to 9 June 2025
2024 H shares final dividend payment date	9 July 2025
Proposed 2025 final dividend	RMB0.05 per share
Closure of register of H shares members for 2025 final dividend	from 22 June 2026 to 29 June 2026
2025 H shares final dividend payment date	31 July 2026

For any queries, please contact:  
BBMG Corporation  
Room 2220  
22nd Floor, Tower D, Global Trade Center  
No. 36 North Third Ring East Road  
Dongcheng District 100013  
Beijing  
The People's Republic of China

Investor Relations Department  
Phone: (8610) 6641 7706  
Fax: (8610) 6641 0889  
Email: [ir@bbmg.com.cn](mailto:ir@bbmg.com.cn)  
Company website: <https://www.bbm.com.cn>

# CORPORATE GOVERNANCE REPORT

The Board is pleased to present the Corporate Governance Report of the Company for the year ended 31 December 2025.

## 1. Commitment to Corporate Governance

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.

For details on the Group's performance, please refer to the section headed “Management Discussion & Analysis” in this Annual Report.

# CORPORATE GOVERNANCE REPORT

## 2. The Board

### Duties and Functions of the Board

The Board is responsible for leading and monitoring the Company's affairs. The Board oversees the strategic development of the Company and determines the objectives, strategies and policies of the Company. The Board also monitors and controls the operating and financial performance in pursuit of the strategic development of the Company. All Directors are liable to act in the best interests of the Company and collectively assume the responsibility for overseeing and monitoring the Company's affairs so as to ensure the success of the Company through achievement of the adopted business plans by the Board to enhance the value for the shareholders of the Company. The Board makes regular assessment on the management's business prospects and results as well as exercises other power and makes decisions objectively in the interests of the Company, including the approval and monitoring of key policy matters, overall strategies, business plans (inclusive of annual budgets), internal control and risk management systems, material transactions such as acquisitions, investments, divestments, disposal of assets (in particular those which may involve conflicts of interest), major and significant capital expenditures, appointment of Directors, recommendation to shareholders of the Company on final dividend and the declaration of any interim dividends and other significant financial and operational matters.

During the Reporting Period, the Board (i) developed and reviewed the Company's corporate governance policies and practices; (ii) reviewed and monitored the training and continuous professional development of the Directors and senior management; (iii) reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements; and (iv) reviewed and monitored the compliance of the Model Code, and the Company's compliance with the Code and disclosure in this Corporate Governance Report.

The Directors are responsible for the preparation of the accounts of each financial period with a view to giving a true and fair view of the financial position, results and cash flows of the Group for that period. Since October 2010, in compliance with the relevant rules and regulations for information disclosure, the Group has been releasing quarterly financial results. Starting in January 2012, the Group commenced the disclosure of preliminary annual major operational data and financial information to enable the public investors to have an advanced overview and assessment of the Group's business operations. Regular management reports on the financial position and prospects of each business unit of the Group are reviewed by the senior management to enable the Board to make an informed assessment of the performance of the Group.

# CORPORATE GOVERNANCE REPORT

According to the Working Guidelines for General Manager (總經理工作細則), all routine operations are delegated to the general manager of the Company. The day-to-day management, administration and operation of the Company are delegated to the management team under the supervision of the executive Directors. The delegated functions, power and work tasks are periodically reviewed to ensure that they remain appropriate. The Board will give clear directions to the management team as to their powers of management, and circumstances where the management team should report back. Approval has to be obtained from the Board prior to any decision being made or any commitments being entered into on behalf of the Company that are outside the scope of the operational authority delegated by the Board. Matters reserved for the Board are the overall strategy of the Group, major acquisitions and disposals, major capital investments, dividend policy, significant changes in accounting policies, material contracts, appointment and retirement of Directors, remuneration policy and other major operational and financial matters.

All Directors have full and timely access to appropriate business documents and all relevant information about the Group on a timely basis as well as the advice and services of the Board secretary and the company secretary, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. When needed and upon making request to the Board, all Directors and Board committees may have recourse to external legal counsel and other independent professionals for advice at the Company's expense in carrying out their functions.

The management team has an obligation to supply to the Board and its committees adequate, complete and reliable information in a timely manner to enable them to make informed decisions. Each Director has separate and independent access to the management team.

# CORPORATE GOVERNANCE REPORT

## Composition

As at the end of the Reporting Period, the Board comprised three executive Directors, three non-executive Directors and four independent non-executive Directors:

### *Executive Directors:*

Jiang Yingwu	Chairman of the Strategic Committee
Gu Yu	Member of the Strategic Committee
Zheng Baojin	Member of the Strategic Committee

### *Non-executive Directors:*

Kong Qinghui	Member of the Audit and Risk Committee and Remuneration and Nomination Committee
Gu Tiemin	Member of the Audit and Risk Committee
Zhao Xinjun	Member of the Audit and Risk Committee and Strategic Committee

### *Independent non-executive Directors:*

Liu Taigang	Chairman of the Remuneration and Nomination Committee, member of Audit and Risk Committee and Strategic Committee
Hong Yongmiao	Member of the Audit and Risk Committee, Remuneration and Nomination Committee and Strategic Committee
Tam Kin Fong	Chairman of the Audit and Risk Committee and member of the Remuneration and Nomination Committee and Strategic Committee
Yin Yuanping	Member of the Audit and Risk Committee, Remuneration and Nomination Committee and Strategic Committee

# CORPORATE GOVERNANCE REPORT

The balance of power and authorities is ensured by the operation of the Board and the senior management, which comprise of experienced and high caliber individuals. As of the date of this Annual Report, the Board currently comprises of three executive Directors, three non-executive Directors and four independent non-executive Directors. It has a strong independence element in its composition. The Company is committed to promoting gender diversity of the Board members. Pursuant to Rule 13.92 of the Listing Rules, the Stock Exchange will not consider diversity to be achieved for a single gender board. As at the end of the Reporting Period, the Company maintained gender diversity of the Board, which was comprised of nine male Directors (accounting for 90%) and one female Director (accounting for 10%). Based on the foregoing, the Remuneration and Nomination Committee and the Board consider that the current Board is sufficiently diversified. The Board had targeted to achieve and had achieved at least one female Director. The Board will also ensure that any successors to the Board shall follow the gender diversity policy. Similar considerations shall also be in place to assess the candidacy of the senior management team from time to time. The Group is determined to maintain gender diversity and equality in terms of the whole workforce, and to procure the senior management team to achieve gender equality in terms of the gender ratio within an approximately two-year timeframe. The Board will endeavour to maintain at least a female representation on the Board and take opportunities to increase the proportion of female members over time as and when suitable candidates are identified. The Company expects the above is achievable with suitable effort in promoting the gender diversity culture, which the Group has been advocating for so.

The Directors of the current seventh session of the Board were elected or re-elected by the shareholders of the Company (“**Shareholders**”) at the 2023 AGM or the 2025 Second EGM or were elected democratically by the staff of the Company as the Directors according to the relevant requirements. The term of the seventh session of the Board commenced from the conclusion of the 2023 AGM and will be expiring on the date of the annual general meeting of the Company for the year of 2026. Upon the expiry on the date of the annual general meeting for the year of 2026, the Company will elect members of the new session of the Board according to the then proposed appointment.

The biographical details of each Director are disclosed on pages 9 to 13 of this Annual Report. All Directors shall report to the Board in respect of the number and nature of any office assumed by them in other companies or institutions and the term of office, as well as disclose to the Company names of such companies or institutions. If the Board considers a Director has a conflict of interest in any proposal under consideration, such Director shall declare his interests and abstain from voting and may, when necessary, apply for absence. The Board requires the Directors to confirm whether there is any connected transaction between the Directors or their respective associates and the Company or its subsidiaries during each Reporting Period. Any material transactions relating to connected persons, which have been confirmed, will be disclosed in accordance with the Listing Rules and in the notes to the financial statements of the annual report.

# CORPORATE GOVERNANCE REPORT

The independent non-executive Directors of the Company possess wide professional expertise and experience, and can fully perform their important functions of supervision and to protect and balance the interests of the Company and its Shareholders as a whole. The Board considers that the independent non-executive Directors are able to make independent judgment effectively and satisfy the guideline on assessing independence set out in Rule 3.13 of the Listing Rules and has received written annual confirmations from each independent non-executive Director of his independence pursuant to the requirements of the Listing Rules.

The Company complies with the requirement concerning the appointment of sufficient independent non-executive Directors and that at least one of them possesses appropriate professional qualification or accounting or relevant financial expertise set out in Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The Company has made appropriate arrangements to insure against possible legal actions that the Directors and senior management may be involved in. The Board reviews the insurance arrangement annually.

The independent non-executive Directors advise the Company on strategic and significant matters. The Board considers that each independent non-executive Director brings his/her own level of experience and expertise to the effective functioning of the Board. The Board seeks the development of an effective working environment for the executive and independent non-executive Directors so as to improve the quality of the decisions made by the Board without constraining the independent views of the independent non-executive Directors. Regular Board meetings were held during the year with open discussion between the executive Directors and the independent non-executive Directors so as to enhance mutual understanding and effective working relationships. The Group has established the mechanism and will review the implementation and effectiveness of the mechanism on an annual basis to ensure independent views and input are available to the board.

Save as disclosed herein, to the best of knowledge of the Directors, there is no relationship (including financial, business, family or other material relevant relationship) among members of the Board.

# CORPORATE GOVERNANCE REPORT

## Board Diversity

With a view to achieving a sustainable and balanced development, the Company considers increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development and has formulated the board diversity policy. The Remuneration and Nomination Committee regularly reviews the structure, number of members and composition (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board in support of the Company's strategy.

The Remuneration and Nomination Committee reviews and implements the board diversity policy as and when appropriate, and proposes any recommended revisions as and when necessary to the Board for consideration and approval so as to ensure the effectiveness of the policy. The Company will make proper information disclosure on board composition (including gender, ethnicity, age and length of service) according to laws and regulations and Listing Rules.

The Remuneration and Nomination Committee reviewed the implementation and effectiveness of the board diversity policy at the meeting which was held on 30 March 2026. The Board considers the current Board composition has provided the Company with a balance of skills, experience and diversity of perspective appropriate to the requirements by its business. Currently, the Board include a female non-executive Director, thus met the requirements of gender diversity of the Board under the Rule 13.92 of the Listing Rules. The executive Directors of the Company have many years of experience in the building materials and real estate industries; the independent non-executive Directors have extensive industry knowledge and experience in law, economics, financial management and corporate finance.

## The Chairman and the Chief Executive Officer

For the year ended 31 December 2025, the Company has reviewed its corporate governance documents and is of the view that the Company had fully complied with the code provisions of the CG Code set out in the Appendix C1 to the Listing Rules.

The primary role of the Chairman is to lead the Board and to ensure that it works effectively in discharging its responsibilities by setting the overall strategy and making major development decisions of the Company and monitoring their implementation and ensuring the creation of value for Shareholders. He takes part in cultivating and maintaining good relationships with strategic associates of the Company and creating a favourable environment for the development of the Company's core businesses. As of the date of this report, the Chairman is Mr. Jiang Yingwu.

The general manager, Mr. Gu Yu, who also acts as the chief executive officer of the Company, is responsible for the day-to-day operation and management of the Company's business, formulating different business and financial targets and management rules, proposing strategies to the Board and ensuring the effective implementation of the strategies and policies adopted by the Board, including the building of a strong corporate culture within the Company.

# CORPORATE GOVERNANCE REPORT

## Skills and Experience of Directors

The table below sets out the skills and expertise of the Board that are most relevant to the strategy, governance and business of the Company. Such skills and expertise enable the Board to effectively fulfill its duties and responsibilities, so as to realize the Company's strategic objectives and achieve the sustainable and balanced development of the Group, in particular in the following areas:

- mainly provide modern green building materials products to customers in Chinese mainland and emerging markets;
- mainly engage in property development and sales in Chinese mainland;
- mainly engage in real estate management and investment in Chinese mainland;
- supervise the implementation of the Company's strategy and meet the needs of the Company's customers through various main businesses of the Company;
- promote sustainable development, comprehensive compliance governance and corporate responsibility practices in all aspects of the businesses and markets of the Company;
- supervise the implementation of the risk management framework and internal control measures; and
- promote a positive and progressive culture within the Group to facilitate the Company to achieve long-term sustainable development and fulfill the role as a responsible corporate citizen of a state-owned enterprise.

# CORPORATE GOVERNANCE REPORT

	Administrative leadership and strategy/experience as a director or chief executive in other listed companies	Capital market expertise	Experience in the modern green building materials industry	Experience in the property development industry	Experience in the real estate management and investment industry	Accounting expertise /financial management expertise	Legal expertise /regulatory and compliance/risk management
<b>Executive Directors</b>							
Mr. Jiang Yingwu	✓	✓	✓	✓	✓	✓	✓
Mr. Gu Yu	✓	✓	✓	✓	✓	✓	✓
Mr. Zheng Baojin	✓	✓	✓	✓	✓	✓	✓
<b>Non-executive Directors</b>							
<b>Directors</b>							
Mr. Kong Qinghui	✓	✓	✓	✓	✓	✓	✓
Mr. Gu Tiemin	✓	✓	✓	✓	✓	✓	✓
Mr. Zhao Xinjun	✓	✓	✓	✓	✓	✓	✓
<b>Independent Non-executive Directors</b>							
Mr. Liu Taigang	✓	✓	✓	✓	✓	✓	✓
Mr. Hong Yongmiao	✓	✓	✓	✓	✓	✓	✓
Mr. Tam Kin Fong	✓	✓	✓	✓	✓	✓	✓
Ms. Yin Yuanping	✓	✓	✓	✓	✓	✓	✓
<b>Proportion</b>							
(Percentage of total members of the Board)	100%	100%	100%	100%	100%	100%	100%

## Terms of Office of Directors and Senior Management

The terms of office of the current seventh session of the Board of the Company has commenced from the respective dates of appointment (that is, the date of the 2023 AGM or the 2025 Second EGM and the date when elected democratically by the staff of the Company) and will expire on the date of the annual general meeting for the year of 2026. Upon the expiry on the date of the annual general meeting for the year of 2026, the Company will elect members of the new session of the Board according to the then proposed appointment.

# CORPORATE GOVERNANCE REPORT

## Confirmation from Directors Appointed during the Reporting Period

During the Reporting Period, Kong Qinghui was appointed as the non-executive director on 10 November 2025, and he has obtained legal advice on issues set out in the Rule 3.09D of the Listing Rules on 7 November 2025. Mr. Kong Qinghui has confirmed that he understood his duties and obligations as a director of the Company.

During the Reporting Period, Zhao Xinjun and Yin Yuanping were appointed as the independent non-executive directors on 25 November 2025, and they have obtained legal advice on issues set out in the Rule 3.09D of the Listing Rules on 25 November 2025. Zhao Xinjun and Yin Yuanping have confirmed that he/she understood his/her duties and obligations as a director of the Company.

## Company Secretary

All Directors are entitled to the company secretary's services. The company secretary reports and notifies the Board the latest information on corporate governance and oversight on a regular basis, assists the Chairman in preparation of the agenda, and prepares and despatches meeting documents in a timely and comprehensive manner so as to ensure the efficiency and validity of the Board meetings. With the assistance of the Company's legal advisers, the company secretary is in charge of arranging the publication of annual, interim and quarterly reports and disclosure of information and data in accordance with the Listing Rules and the relevant rules and guidelines of the Company and ensure the Company's compliance with the continuing obligations of the Listing Rules, Codes on Takeovers and Mergers and Share Buy-backs, Companies Ordinance, Securities and Futures Ordinance and other applicable laws, rules and regulations. The company secretary makes timely and regular enquiries with the Company's finance department in accordance with the Company's protocols and guidelines such as the Connected Transactions Practical Guidelines (關連交易實施細則), Management Protocol on Connected Transactions (關連交易管理辦法) and Guidelines on Identifying Connected Parties (關連人士確認細則) for information on connected transactions to secure the full compliance with the Listing Rules in respect of such transactions.

# CORPORATE GOVERNANCE REPORT

The company secretary is also in charge of preparing and keeping written resolutions and/or minutes of meetings of the Board and the Board committees together with any relevant documents. All matters under consideration including any enquiry and objection by Directors will be minuted in details. Within a reasonable time frame upon closing a meeting, draft minutes will be despatched to all Directors for their comments and final written resolutions and minutes will be sent to all Directors for their records.

According to Rule 3.29 of the Listing Rules, the company secretary had taken no less than 15 hours of relevant professional training during the Reporting Period.

## Board Meetings

The Chairman is responsible for convening and holding the Board meetings. Assisted by the Board secretary and the company secretary, the Chairman tries to ensure all Directors have proper access to accurate, timely and sufficient data on the proposals to be considered by the Board to enable them to reach their final decisions at the relevant Board meeting. While a not less than fourteen days' notice of a regular Board meeting is given, the agenda of meeting and the meeting documents enclosed are circulated at least three days prior to the holding of a Board meeting or a meeting of any Board committee.

The Chairman encourages the Directors to be fully engaged in the Board's affairs and make contributions to the functions of the Board. The Board has adopted comprehensive and sound corporate governance practices and procedures and encourages an open and frank communication among all Board members so as to ensure enquiries raised by the Board members are addressed efficiently and effectively by the appropriate personnel of the Company.

It is expressly provided in the Rules of Procedure for the Meetings of the Board (董事會議事規則) that, in the event that a substantial shareholder or a director of the Company has a conflict of interests in the matter to be considered at the Board meeting, such matter shall not be dealt with by Board committees or by way of circulation. Any Director who has a conflict of interests in the matters to be considered shall abstain from voting.

# CORPORATE GOVERNANCE REPORT

The Board held four regular Board meetings during the Reporting Period to review the financial performance of the Group. Between these regular meetings, the Board also met to discuss and consider major issues (whether or not required by the Listing Rules) and also on other occasions when Board decisions are required. With respect to regular meetings of the Board, Directors were given a formal written notice of the meeting and an agenda with supporting Board papers to the meeting in accordance with the Listing Rules and the CG Code. With respect to other meetings, Directors were given as much notice as was reasonable and practicable in the circumstances. During the Reporting Period, the Board also convened the 2024 AGM on 23 May 2025, as well as the 2025 First EGM on 30 June 2025 and the 2025 Second EGM on 25 November 2025, respectively. The number of meetings and attendance details of each Director during the Reporting Period are set out as follows:

Name of Directors	Board meetings	Number of attendance/ Number of meetings entitled to attend		
		2024 AGM	2025 First EGM	2025 Second EGM
<i>Executive Directors</i>				
Jiang Yingwu	11/11	1/1	1/1	1/1
Gu Yu	11/11	1/1	1/1	1/1
Zheng Baojin	11/11	1/1	1/1	1/1
Jiang Changlu ( <i>resigned on 12 August 2025</i> )	10/10	1/1	1/1	1/1
<i>Non-executive Directors</i>				
Kong Qinghui ( <i>appointed on 10 November 2025</i> )	2/2	0/0	0/0	1/1
Gu Tiemin	11/11	1/1	1/1	1/1
Zhao Xinjun ( <i>appointed on 25 November 2025</i> )	2/2	0/0	0/0	0/0
Hao Liwei ( <i>resigned on 10 November 2025</i> )	10/10	1/1	1/1	0/0
<i>Independent non-executive Directors</i>				
Liu Taigang	11/11	1/1	1/1	1/1
Hong Yongmiao	11/11	1/1	1/1	1/1
Tam Kin Fong	11/11	1/1	1/1	1/1
Yin Yuanping ( <i>appointed on 25 November 2025</i> )	2/2	0/0	0/0	0/0
Yu Fei ( <i>resigned on 4 March 2025</i> )	10/10	0/0	0/0	0/0

# CORPORATE GOVERNANCE REPORT

## **Directors' Induction and Continuous Professional Development**

On appointment to the Board, each newly appointed Director receives a comprehensive induction package covering business operations, policies and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, the Company has been encouraging the Directors and senior management to enroll in a wide range of professional development courses and seminars relating to the Listing Rules, companies law and corporate governance practices organized by professional bodies, independent auditors and/or chambers in Hong Kong and China so that they can continuously update and further improve their relevant knowledge and skills. From time to time, Directors are provided with written materials to develop and refresh their professional skills. The Company also organises and arranges training sessions on the latest development of applicable laws, rules and regulations for the Directors to assist them in discharging their duties. During the Reporting Period, the Company regularly provided the Directors and senior management with materials on corporate governance, the Listing Rules and relevant updates on laws, rules and regulations.

# CORPORATE GOVERNANCE REPORT

According to the records maintained by the Company, the Directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the requirement of the CG Code on continuous professional development during the Reporting Period:

Name of Directors	Types of training
<i>Executive Directors</i>	
Jiang Yingwu	A + B + C
Gu Yu	A + B + C
Zheng Baojin	A + B + C
Jiang Changlu ( <i>resigned on 4 March 2025</i> )	A + B + C
<i>Non-executive Directors</i>	
Kong Qinghui ( <i>appointed on 10 November 2025</i> )	A + B + C
Gu Tiemin	A + B + C
Zhao Xinjun ( <i>appointed on 25 November 2025</i> )	A + B + C
Hao Liwei ( <i>resigned on 10 November 2025</i> )	A + B + C
<i>Independent non-executive Directors</i>	
Liu Taigang	A + B + C
Hong Yongmiao	A + B + C
Tam Kin Fong	A + B + C
Yin Yuanping ( <i>appointed on 25 November 2025</i> )	A + B + C
Yu Fei ( <i>resigned on 4 March 2025</i> )	A + B + C

A: attending seminars, conferences and/or forums

B: giving talks at seminars, conferences and/or forums

C: reading newspapers, journals and updates relating to the economy, general business, building materials, property development or director's duties and responsibilities, etc.

All the Directors also understand the importance of continuous professional development and are committed to participating in any suitable training to develop and refresh their knowledge and skills.

# CORPORATE GOVERNANCE REPORT

## Board Committees

The Board, with the assistance of other Board committees, is responsible for performing the corporate governance functions, and accordingly reviews and monitors the training and continuing professional development of directors and the senior management, and ensures its policies and practices in compliance with relevant laws and regulatory requirements. For the year ended 31 December 2025, the Board reviewed the Company's policies and practices on corporate governance. The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code. There are three committees under the Board, namely, the Audit and Risk Committee, the Remuneration and Nomination Committee and the Strategic Committee, established to administer certain specified functions of the Company's affairs. Their terms of reference which set out, among other things, the duties, functions and composition of these committees are determined in accordance with the principles set out in the CG Code and are available on the Company's website. The Board committees report to the Board. In order to perform their duties, the Board committees have the authority to appoint legal advisors, accountants or other professionals to provide professional advice if necessary, at the Company's expenses.

## 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 report, 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 report, 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.

# CORPORATE GOVERNANCE REPORT

The major functions and roles of the Audit and Risk Committee are:

- To review the financial statements of the Company;
- To consider and make recommendation to the Board on the appointment, re-appointment and removal of external auditors;
- To review and opine on the connected transactions and continuing connected transactions of the Group;
- To review the accounting policies adopted by the Group and their implementation;
- To oversee the engagement of external auditors and their independence;
- To review and monitor the effectiveness of the internal audit and risk management function;
- To oversee the effective implementation of the internal control system and the evaluation of internal control;
- To oversee and examine the operation of the Company and make proposals to the Board;
- To control and carry out day-to-day management of the connected transactions and continuing connected transactions of the Company; and
- To inspect and review the corporate governance of the Company.

During the Reporting Period, the Audit and Risk Committee convened six meetings. The senior management and external auditors were invited to attend these meetings.

# CORPORATE GOVERNANCE REPORT

The attendance details of the Audit and Risk Committee members during the Reporting Period are as follows:

Name of Directors	Number of attendance/ Number of meetings entitled to attend
<i>Independent non-executive Directors</i>	
Liu Taigang	6/6
Hong Yongmiao	6/6
Tam Kin Fong	6/6
Yin Yuanping ( <i>appointed on 25 November 2025</i> )	1/1
Yu Fei ( <i>resigned on 4 March 2025</i> )	6/6
<i>Non-executive Directors</i>	
Kong Qinghui ( <i>appointed on 10 November 2025</i> )	
Gu Tiemin	6/6
Zhao Xinjun ( <i>appointed on 25 November 2025</i> )	1/1
Hao Liwei ( <i>resigned on 10 November 2025</i> )	5/5

The major work of the Audit and Risk Committee during the Reporting Period included:

- review of the external auditors' report in respect of the audited financial statements, annual report and results announcement for the year ended 31 December 2024;
- review of implementation of the final dividend for the year ended 31 December 2024;
- review of the accounting policies of the Group adopted during the Reporting Period;
- the proposed appointment of Deloitte Touche Tohmatsu Certified Public Accountants LLP as the Company's auditor for financial reporting and internal control for the year ended 31 December 2025;
- review of the 2025 interim report and interim results announcement;
- review of the 2025 first quarter and third quarter results reports;
- review of the procedures for information disclosure during the Reporting Period;

# CORPORATE GOVERNANCE REPORT

- review of the internal control and risk management function of the Group with the discussion of the internal auditors;
- review of the internal control evaluation report and the effectiveness of the internal audit function;
- review of the Company's audit planning report prepared by Deloitte Touche Tohmatsu Certified Public Accountants LLP for the year ended 31 December 2025;
- review of changes of accounting policy;
- review of the appointment and remuneration plan of senior management;
- review of the related transactions, external guarantee and occupied fund of the Group (if applicable);
- review of the work performed by other Board committees during the Reporting Period; and
- review of the matters in relation to the Proposed Change of Auditor in the paragraph headed "Independent Auditor" in the section headed "Report of the Directors" above.

This Annual Report and the annual results announcement of the Company for the Reporting Period have been reviewed by the Audit and Risk Committee at the meeting convened on 30 March 2026.

At the 17th meeting of the seventh session of the Board held on 25 November 2025, Kong Qinghui, Zhao Xinjun and Yin Yuanping were elected as members of the Audit and Risk Committee.

# CORPORATE GOVERNANCE REPORT

The most updated rules of procedures of the Audit and Risk Committee are posted on the websites of the Company and the Hong Kong Stock Exchange.

## 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 report, 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.

During the Reporting Period, the Remuneration and Nomination Committee convened four meetings. Key resolutions considered and approved at the meetings were:

- a. The resolution of determining the remuneration of executive Directors of the Board and the senior management of the Company based on their performance by the Remuneration and Nomination Committee in 2024;
- b. The consideration and review on the proposal in relation to the appointment and resignation of senior management; and
- c. The review of the Company's board diversity policy and the progress on achieving the objectives set for implementing the said policy.

# CORPORATE GOVERNANCE REPORT

The attendance details of the Remuneration and Nomination Committee members during the Reporting Period are as follows:

Name of Directors	Number of attendance/ Number of meetings entitled to attend
<i>Executive Director</i>	
Jiang Changlu ( <i>resigned on 12 August 2025</i> )	1/1
<i>Executive Director</i>	
Kong Qinghui ( <i>appointed on 10 November 2025</i> )	2/2
<i>Independent non-executive Directors</i>	
Liu Taigang	4/4
Hong Yongmiao	4/4
Tam Kin Fong	4/4
Yin Yuanping ( <i>appointed on 25 November 2025</i> )	2/2
Yu Fei ( <i>resigned on 4 March 2025</i> )	0/0

As at the date of this Annual Report, the Remuneration and Nomination Committee had reviewed the remuneration packages in respect of the Directors and members of senior management of the Company for the Reporting Period as disclosed and considered that their respective remuneration packages were in line with the relevant requirements of the remuneration policy of the Company and were consistent with the annual performance appraisal results. The Remuneration and Nomination Committee made recommendations to the board on the remuneration packages of individual executive directors and senior management. For details of the remuneration policy of the Directors, please refer to the section headed “Employees and Remuneration Policy” under “Management Discussion & Analysis” in this Annual Report.

# CORPORATE GOVERNANCE REPORT

The Remuneration and Nomination Committee will take into account whether a candidate has the qualifications, skills and gender diversity that add to and complement the range of skills, experience and background of existing Directors by considering the highest personal and professional ethics and integrity of the Director candidates, proven achievement and competence in the nominee's field and the ability to exercise sound business judgment, skills that are complementary to those of the existing Board, the ability to assist and support management and make significant contributions to the Company's success and such other factors as it may deem are in the best interests of the Company and its shareholders. The Company shall review and reassess the nomination policy and its effectiveness on a regular basis or as required.

The most updated rules of procedures of the Remuneration and Nomination Committee are posted on the websites of the Company and the Hong Kong Stock Exchange. During the Reporting Period, the rules of procedures of the Remuneration and Nomination Committee have been revised to include the requirements of code provision of the Corporate Governance Code, which stipulates the nomination committee of the listed issuer shall at least have one director of different gender.

The biographical details of senior management are disclosed on pages 14 to 17 of this Annual Report.

## **Strategic Committee**

The Company established the Strategic Committee whose primary duties are to formulate the overall development plans and investment decision-making procedures of the Group. As at 31 December 2025, the Strategic Committee consisted of eight members, three of whom are executive Directors, namely Jiang Yingwu, Gu Yu and Zheng Baojin, and five of whom are non-executive Director (namely Zhao Xinjun) and independent non-executive Directors (namely Liu Taigang, Hong Yongmiao, Tam Kin Fong and Yin Yuanping). Jiang Yingwu was the chairman of the Strategic Committee.

During the Reporting Period, the Strategic Committee convened three meetings with an attendance rate of 100%. The committee considered the the resolution in relation to the work report on compliance management of the Company for 2024, the resolution in relation to the investment plan for 2025 and other resolutions, and the resolution in relation to amendments to the Compliance Management System of the Company respectively.

# CORPORATE GOVERNANCE REPORT

### 3. Statement of Financial Responsibility of the Board

It is the responsibility of the Board for presenting a balanced, clear and understandable assessment in respect of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements. The Directors acknowledge their responsibility for (i) the preparation of the Company's financial statements; (ii) the completeness and legitimacy of the financial data; and (iii) the efficiency of the Company's internal control and risk management function for the year ended 31 December 2025.

Management team shall provide such explanation and information to the Board to enable the Board to make an informed assessment of the financial and other information presented before the Board for approval. The Directors are responsible for keeping proper accounting records and preparing accounts of each financial period, which give a true and fair view of the financial position of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31 December 2025, the Directors have:

- consistently applied appropriate accounting policies;
- made judgments and estimates that are prudent and reasonable; and
- prepared the accounts on the going concern basis.

The quarterly, interim and annual results of the Company are announced in a timely manner within the relevant limits of the Listing Rules after the end of the relevant Reporting Period.

The Company has received a statement by the independent auditors of the Company about their reporting responsibilities. The statement of the independent auditors of the Company on its reporting responsibilities on the financial statements is set out in the "Auditors' Report" on pages 132 to 137 of this Annual Report.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

# CORPORATE GOVERNANCE REPORT

## 4. Directors' Securities Transactions

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules and the Securities Dealing Code for Management (管理層證券交易守則) as the Company's code of conduct and rules to govern dealings by all Directors in the securities of the Company. The Model Code is also applicable to the specific employees and/or senior management of the Group who may have certain inside information that has not been disclosed. The Model Code is sent four times a year, namely, no less than 30 days prior to the Board meeting to approve the Company's interim and quarterly results and no less than 60 days prior to the Board meeting to approve the Company's annual results, together with an indicative notice, to remind the Directors and the specific employees who may have certain price sensitive information that they may not deal in the Shares until the publication of the results announcement.

The Company has also adopted the System on Managing Insiders and External information User (內幕資訊知情人和外部資訊使用人管理制度) and Securities Dealing Code for Management (管理層證券交易守則) for controlling and monitoring the relevant employees who are likely to be in possession of unpublished price-sensitive information in relation to the Group or its securities.

All Directors confirmed that as at 31 December 2025, none of the Directors or the specific employees who may have possession of certain inside information that had not been disclosed in accordance with the requirements of the Model Code has interests or short positions which are required to notify the Company and the Hong Kong Stock Exchange, or incur any conduct in violation of regulations. Having made specific enquiries to all Directors of the Company, they have confirmed that they had complied with the required standards set out in the Model Code throughout the Reporting Period.

## 5. Senior Management's Remuneration

The Company considers the executive Directors, general manager, the deputy general manager, the deputy general manager assistant, the board secretary and the company secretary as the members of the senior management.

# CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2025, remuneration paid to the members of the senior management other than the Executive Directors was as follows:

	<b>2025</b>	<b>2024</b>
	<b>RMB</b>	<b>RMB</b>
Total remuneration	<b>11,743,437</b>	14,297,040

Remunerations of these senior management members fall within the following range:

	<b>2025</b>	<b>2024</b>
RMB0-1,000,000	<b>7</b>	7
RMB1,000,001-1,500,000	<b>2</b>	0
RMB1,500,001-2,000,000	<b>2</b>	4
RMB2,000,001-2,500,000	<b>0</b>	1
	<b>11</b>	12

## 6. Internal Control and Audit

### Internal Control

The Board has the ultimate responsibility to maintain a sound and effective internal control system for the Company so as to safeguard the interests of the Company and its shareholders as a whole and to ensure strict compliance with relevant laws, rules and regulations. The Board is fully in charge of the internal control system and is responsible for overseeing and reviewing the effectiveness of the internal control system on an ongoing basis. The Board improved the “1+6+X” management and control structure based on the Group’s headquarters, six secondary groups and several directly-managed professional units. In 2025, the Group advanced the integration and reorganization of its main business in an orderly manner, promoted the integration of cement business and concrete business, built an integrated system of “cement + aggregate + ready-mixed concrete” and strengthened regional coordination. The Group made great efforts to promote the transformation and upgrading of the real estate industry, optimized and adjusted some urban management centers of the real estate group, and conducted pilot reforms on commercial operations and comprehensive services to improve the service quality and the operational efficiency. The Group’s risk management and internal control procedure is mainly designed to identify, evaluate and manage risks effectively and provide a reasonable assurance that material misstatements or losses are prevented, rather than to eliminate all risks of failure.

# CORPORATE GOVERNANCE REPORT

In 2025, the Company further streamlined the management structure to improve the management efficiency, and built a “1+6+X” management and control structure based on the Group’s headquarters, six secondary groups and several directly-managed professional units, effectively balancing the relationship between centralized management and decision-making authorization. The Company further optimized the management structure, comprehensively deepened the advancement of the reforms in-depth and integrated the business of cement group and cement group. The industry integration unleashed new momentum. Meanwhile, the Company classified its subsidiaries into four levels of management, and further clarified the strategic positioning and responsibilities at each level. The construction of internal control system was designed in a coordinated and hierarchical manner based on the “1+6+X” management and control structure, achieving full coverage of the internal control system for actual operating enterprises. The leadership responsibility system for internal control was further implemented. The Board is responsible for setting up and implementing adequate and effective internal control to effectively play the roles of “formulating strategies, making decisions, and preventing risks”. The chairman, as the first responsible person for internal control management, led the construction and supervision of internal control in all-around way, coordinated the development strategy of the entire group, and guided risk prevention and mitigation in a systematic manner within the Group. All departments of the headquarters cooperated with each other and performed their respective duties, and strictly complied with regulatory requirement such as control on separation of incompatible duties, control on authorization and approval, and power supervision and balance. The Company further intensified efforts on auditing supervision, initiated a new round of full coverage of three-year internal control supervision and evaluation, and completed the first-year task as scheduled. Through the annual self-evaluation on internal control, the Company maintained effective internal control in all major aspects in accordance with the requirements of the Standard System for Internal Control of Enterprises and relevant regulations, and found no major and important defects. The Company obtained an audit report on internal control with unqualified opinion issued by Deloitte Touche Tohmatsu Certified Public Accountants LLP.

# CORPORATE GOVERNANCE REPORT

In 2026, based on the existing internal control system, the Company will further improve the internal control compliance system, thoroughly fulfill the responsibilities of the Board of the Group for establishing and improving internal control system, and incorporate the internal control compliance into the “15th Five-Year” development plan and annual plan of the Group for overall coordination and planning and simultaneous advancement. The Company will further deepen the integration of information system and internal control management, accelerate the construction of internal control informatization, embed the requirements of internal control and the timing of compliance review into business process, and enhance regular communication with business, finance and internal audit departments to improve the efficiency and effectiveness of internal control and increase operational efficiency. The Company will further strengthen the construction of internal control culture, enhance the internal training on rules and regulations, enhance the ability to solve problems, and promote the transformation of trainings on systems from “massive irrigation” to “precise irrigation”, earnestly enhancing the quality and effectiveness of the training. At the same time, according to the new situation found during the implementation of the current internal control system, the Company will optimize and improve some business processes to ensure that the Company’s internal control system can adapt to environmental changes in time and keep the internal control system dynamic and effective.

The Company has conducted a review and assessment of the internal control system and risk management, covering various aspects of financial, operation, compliance monitoring and risk management with the aims of, among other things, improving the Group’s corporate governance and ensuring compliance with the applicable laws and regulations.

# CORPORATE GOVERNANCE REPORT

## The Board's Statement on Its Responsibility for Internal Control

According to the provisions of the Basic Internal Control Norms for Enterprises and its supporting guidelines and other internal control and supervision requirements (hereinafter referred to as the "Standard System for Internal Control of Enterprises"), in combination with the internal control system and evaluation methods of the Company, and on the basis of daily and special supervision of internal control, the Company conducted an annual evaluation on the validity of the internal control as of 31 December 2025 (base date of internal control evaluation report).

1. According to the determination of the major defects in the internal control of the Company's financial reports, the Company had no major defects in the internal control of the financial reports on the base date of the internal control evaluation report, and the Board of Directors believed that the Company had maintained effective internal control of the financial reports in all major aspects according to the requirements of the Standard System for Internal Control of Enterprises and relevant regulations.
2. According to the determination of the major defects in the internal control of the non-financial reports of the Company, the Company found no major defects in the internal control of non-financial reports on the base date of internal control evaluation report.
3. There were some general defects in the internal control process in daily operation. However, due to the double supervision mechanism of self-evaluation and internal audit for the internal control of the Company, the risks were controllable and did not affect the financial reports of the Company.
4. A standard unqualified internal control audit report has been issued to the Company by Deloitte Touche Tohmatsu Certified Public Accountants LLP, the internal control auditor engaged by the Company.

# CORPORATE GOVERNANCE REPORT

## **Establishment and Implementation of the Internal Control System during the Reporting Period**

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 more than 1,100 people and strengthening the management level and institutional rigidity of the rules and regulations system; established its system portal, organized 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 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, 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.

# CORPORATE GOVERNANCE REPORT

## Auditors' Remuneration

The Audit and Risk Committee reviewed the letter from Deloitte Touche Tohmatsu Certified Public Accountants LLP to confirm its independence and objectiveness, and held meetings with Deloitte Touche Tohmatsu Certified Public Accountants LLP to discuss its audit scope and fees. The Company engaged Deloitte Touche Tohmatsu Certified Public Accountants LLP as the sole external auditor of the Company. The remuneration in respect of audit services and non-audit services provided by Deloitte Touche Tohmatsu Certified Public Accountants LLP in 2025 is summarised as follows:

Deloitte Touche Tohmatsu Certified Public Accountants LLP	RMB
Annual results auditing services	5,300,000
Review of 2025 interim results	2,880,000
Other non-annual audit or review services	–
<b>Total</b>	<b>8,180,000</b>

## 7. Communications with Shareholders

The Board fully recognizes that effective communication with investors is the key to building up investors' confidence and attract new investors. The Company held briefs to investment analysts and investors immediately following the announcement of its annual and interim results. Senior management were present to analyze the performance of the Company, expound the business development of the Company and answer questions raised by investors, so as to make known the Company's existing operation, investment status and business development, thereby enhancing the investors' confidence in the Company. The Company publishes its announcements, financial information and other relevant data on its website at <https://www.bbmj.com.cn>, as a channel to enhance effective communication. Shareholders are welcomed to make enquiries to the Company by sending the enquiries to the principal place of business of the Company in China or Hong Kong, or contact the Board Office via phone ((8610) 6641 7706), fax ((8610) 6641 0889) or email ([ir@bbmj.com.cn](mailto:ir@bbmj.com.cn)). The Board believes that such an established mechanism can ensure independent views and input from the shareholders are available to the Board. The Board reviewed the Group's shareholders and investor engagement and communication activities conducted in 2025 and was satisfied with the implementation and effectiveness of the shareholders communication policy.

For further details, please refer to the section headed "Investor Relations Report" in this Annual Report.

# CORPORATE GOVERNANCE REPORT

## 8. Shareholders' Rights

### Procedure for shareholders to convene an extraordinary general meeting:

Pursuant to Articles 57 and 63 of the Articles of Association and Rules of Procedure for Shareholders' General Meetings of the Company, the following procedures are set out for shareholders to convene an extraordinary general meeting or class meeting of shareholders:

- (1) Shareholders severally or jointly holding 10% or more of shares of the Company may, by signing written requests in one or more counterparts stating the object of the meeting, require the Board to convene an extraordinary general meeting or a class meeting of shareholders and clarify the agenda of the meetings. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a reply in writing as to whether it agrees to convene the extraordinary general meeting or the class meeting within 10 days after receiving the aforementioned requisitions. In the event that the board of directors agrees to convene the extraordinary general meeting or the class meeting, the notice of the same shall be despatched within 5 days after the relevant resolution of the Board is made. Any change to the original requisitions made in the notice requires prior consent of the relevant shareholders. The shareholdings referred to above shall be calculated as on the day when the requisitions are made;
- (2) Where the Board disapproves the proposal of shareholders for convening the meeting or does not give any reply within 10 days after receiving the requisitions in writing, the shareholders individually or collectively holding more than 10% of the shares of the Company are entitled to propose to the audit and risk committee in writing for convening the extraordinary general meeting or the class meeting; the audit and risk committee shall despatch a notice convening the meeting, if approved, within 5 days upon receipt of such requisitions in writing. Any change to the original requisitions made in the notice requires prior consent of the relevant shareholders. Failure of the audit and risk committee to issue the notice of the meeting within the prescribed period shall be deemed as its failure to convene and preside over the meeting, and shareholders individually or collectively holding more than 10% of the Company's shares for 90 consecutive days or more may convene and preside over the meeting on a unilateral basis with procedures as similar as if the shareholders' general meeting were convened by the Board.

# CORPORATE GOVERNANCE REPORT

When convening an annual general meeting, the Company shall notify the date, venue, and agenda of the meeting to all shareholders 21 days prior to the convening of the relevant meetings in written form or in any other manners as prescribed by the Articles of Association. When convening an extraordinary general meeting, the Company shall notify shareholders 15 days prior to the date of the written form or in any other manners as prescribed by the Articles of Association. When calculating the number of days for the issuance of notices of general meetings, neither the intended day of the meeting, nor the day the relevant notice is issued shall be included in the number of days of advance notice required.

## **Procedure for election of directors nominated by shareholders**

Pursuant to Articles 68 and 124 of the Articles of Association and Rules of Procedure for Shareholders' General Meetings of the Company, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, Stock Listing Rules of Shanghai Stock Exchange, the following procedure is set out for election of directors nominated by shareholders:

Shareholder(s) severally or jointly holding 1% or more shares of the Company may nominate directors for election through a proposal to the Company. A written notice of the intention to nominate a person (namely shareholder) for election as director and a notice in writing by that person indicating his acceptance of such nomination shall be given to the Company not earlier than the day of announcement of notice of shareholders' general meeting and not later than seven days before the date of the general meeting. The relevant period for nomination and acceptance of nomination shall not be less than seven days. The Company will, within ten business days prior to the date of the relevant shareholders' general meeting, send to all shareholders a supplementary notice of shareholders' general meeting carrying information about the resume of the director candidates, reasons for their election and the candidates' attitudes toward the nomination.

Proposals at a shareholders' general meeting shall meet the following requirements:

- (I) The contents of the proposals shall not contravene provisions of the laws, administrative regulations and the Articles of Association and shall fall within the scope of business of the Company and terms of reference of shareholders' general meeting;
- (II) The proposals shall have specific topics for discussion and specific issues to be resolved;  
and
- (III) The proposals shall be submitted or served to the convener in writing.

Voting on proposals for election of Directors shall take the form of cumulative voting, namely, if more than two directors are to be elected at the shareholders' general meeting, every share held by the voting shareholders shall have voting rights equal to the number of directors to be elected, and any shareholder may concentrate his/her voting rights on one director candidate or distribute his/her voting rights among several director candidates.

# CORPORATE GOVERNANCE REPORT

Cumulative voting mentioned in the preceding paragraph means that when Directors are being elected at a shareholders' general meeting, each share has as many voting rights as the candidates for directors, and the shareholders' voting rights may be used in a concentrated manner.

## **Procedure for Shareholders to put forward proposals at a shareholders' general meeting**

Pursuant to Article 68 of the Articles of Association and Rules of Procedure for shareholders' General Meetings of the Company, the Listing Rules and the Stock Listing Rules of Shanghai Stock Exchange, the following procedures are set out for the Shareholders to put forward proposals at a shareholders' general meeting:

Shareholder(s) severally or jointly holding 1% or more shares of the Company may put forward proposals at a shareholders' general meeting. A written notice of the intention to put forward a proposal shall be given to the meeting convener through contacting the Investor Relations Department of the Company. For details of contact methods, please refer to the section headed "Investor Relations Report". The convener should make an announcement no earlier than two days upon receipt of the request and no later than ten days before the date of the shareholders' general meeting specifying details of the proposals.

Other than the above requirements, after the convener makes the announcement, no amendment or addition shall be made in the proposal listed in the announcement.

Proposals at a shareholders' general meeting shall meet the following requirements:

- (I) The contents of the proposals shall not contravene provisions of the laws, administrative regulations and the Articles of Association and shall fall within the scope of business of the Company and rules of procedure of shareholders' general meeting;
- (II) The proposals shall include a clear subject and particulars of the subject matters; and
- (III) The proposals shall be submitted or served to the convener in writing.

# CORPORATE GOVERNANCE REPORT

When the relevant issues or proposals are being considered at the shareholders' general meeting, shareholders or their proxies present at the meeting may express their opinions in either oral or written form. Shareholders who wish to express their opinions or raise questions on the issues to be considered shall obtain prior approval from the chairman of the meeting. Shareholders shall not intervene when reports are being made at the meeting or when other shareholders are speaking. When expressing their opinions, shareholders shall focus on the subject matters based on facts and reliable supports with courtesy and respect to others. Insult or defamation on others is prohibited. Shareholders who are in violation of the above rules shall be prohibited from speaking or forced to stop by the chairman of the meeting. Any person present at the meeting may submit their opinions or questions in writing to the chairman of the meeting. Opinions or questions raised at the meeting should be concise and to the point and shall not exceed the time limit and frequency stated in the rules of procedure.

## 9. Constitutional Documents

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") were adopted, which came into effect on 1 July 2024. The amendments introduced by the new PRC Company Law to the then PRC Company Law include but not limited to reforming the corporate capital system and organisational structure, enhancement in protection for minority shareholders' rights and interests, strengthening responsibilities for controlling shareholders, directors and senior management as well as permitting the replacement of supervisory committee with the audit 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.

# CORPORATE GOVERNANCE REPORT

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.

## 10. Dividend Policy

### (I) The basic principles of profit distribution policy of the Company are:

1. Taking into full account of the investor return, the dividend distributed to the shareholders in the past three years shall be no less than 30% of the average annual distributable profit attributable to shareholders of the listed company realized in the past three years, as recorded in the consolidated financial statements;
2. The Company shall maintain continuity and stability of the profit distribution policy, and give proper consideration to long-term interests of the Company, the interests of all shareholders as a whole and sustainable development of the Company; and
3. The Company will give priority to cash dividend in profit distribution.

# CORPORATE GOVERNANCE REPORT

## (II) The detailed policies of profit distribution are set out below:

1. The form of distribution: The Company may distribute dividends in cash, in shares, or in a combination of both cash and shares. When the conditions are satisfied, the Company may declare interim profits.

2. Conditions and proportion of cash dividend distribution:

Subject to special circumstances, the Company shall distribute cash dividend when the Company makes profit in the year and the accumulated undistributed profit shall be a positive figure. In principle, the accumulated profits distributed by the Company in cash in the past three years shall be no less than 30% of the average annual distributable profits realized in the past three years (average annual distributable profits refer to such average annual profits that attributable to shareholders of the listed company realized in the past three years, as recorded in the consolidated financial statements).

Special circumstances refer to material investments or cash expenditures (excluding fund-raising projects) made by the Company. Material investments or cash expenditures refer to those matters that need review and approval of shareholders' general meeting pursuant to the relevant laws and regulations and requirements of these Articles of Associations.

3. Differentiated cash dividend distribution policies:

When carrying out cash dividend distribution, the board of directors of the Company shall take into comprehensive consideration of such factors as the characteristics of the industries the Company operate in and the business lifecycle of the Company, its own business model, profitability level, as well as whether it has any substantial capital expenditure arrangement, and put forward differentiated cash dividend distribution policies applicable to the following situations in accordance with the procedures specified in the Articles of Association:

- (1) Where the Company is in a maturity phase with no substantial capital expenditure, the cash dividend distributed shall not be less than 80% of the total profits distributed when carrying out profit distribution;

# CORPORATE GOVERNANCE REPORT

- (2) Where the Company is in a maturity phase with substantial capital expenditure, the cash dividend distributed shall not be less than 40% of the total profits distributed when carrying out profit distribution;
- (3) Where the Company is in a growth phase with substantial capital expenditure, the cash dividend distributed shall not be less than 20% of the total profits distributed when carrying out profit distribution; where the phase of the business lifecycle of the Company is difficult to define and where Company has substantial capital expenditure arrangement, the profit distribution may be dealt with pursuant to the preceding provisions.

#### 4. Conditions of dividend distribution in shares:

When the Company is in good condition and the board of directors considers that the share price and share capital size do not match, and to distribute dividends in shares is in the interests of the shareholders as a whole, the board of directors may, provides that the conditions of cash dividend distribution stated above are satisfied, propose to distribute dividends in shares.

In distributing dividend in shares, the Company shall focus on capital expansion and performance growth, taking into account of such reasonable factors as the business growth and dilution of net asset value per share.

### **(III) Review and approval procedure for profit distribution proposal:**

1. The profit distribution proposal shall be proposed by the management and submitted to the board of directors for review and approval. The board of directors shall record a resolution and submit to the shareholders' general meeting for review and approval.
2. The Board shall fully consider the profit distribution proposal pursuant to the provisions of the Articles of Association, having taken into full account of the Company's ability to operate on an ongoing basis, and the capital required for ensuring ordinary production, operation and business development as well as reasonable returns to investors. In deliberating and decision-making of the profit distribution proposal, the Board shall communicate and exchange opinions with the independent directors in advance; in the process of demonstrating and making decisions on the preliminary profit distribution plan and making adjustments to the established profit distribution policy, at the Company's Shareholders' general meeting, the Company may communicate and exchange opinions with minority shareholders through various means, including making full use of the investor relations hotline (platform), and fully listen to the opinions and requirements of minority shareholders.

# CORPORATE GOVERNANCE REPORT

3. If the Company decides not to distribute cash dividend due to special circumstances stipulated above, the board of directors shall provide a special explanation on matters relating to the detailed reasons, the exact purpose of the retained proceeds and estimated return on investment. After the independent directors express opinion, the special explanation shall be submitted to the shareholders' general meeting for review and approval, and disclosed on the media designated by the Company.

#### **(IV) Implementation of profit distribution proposal:**

Subsequent to the passing of the resolution in respect of the profit distribution plan by the shareholders' general meeting, the board of directors of the Company shall complete the distribution of dividends (or shares) within two months from the date of the shareholders' general meeting.

Dividends and other distributions declared by the Company to holders of domestic shares shall be declared and denominated in Renminbi, and paid in Renminbi. Dividends and other distributions declared by the Company to holders of foreign shares shall be declared and denominated in Renminbi, and paid in foreign currency. The exchange rate shall be based on the average middle exchange rate of the relevant foreign currency against Renminbi announced by the People's Bank of China over the five working days preceding the date on which such dividends or other distribution are declared. Foreign currencies payable by the Company to holders of foreign shares shall be obtained pursuant to relevant State regulations on the administration of foreign exchange.

#### **(V) Adjustment mechanism of profit distribution policies of the Company:**

If the Company needs to adjust its profit distribution policies due to significant changes in the external business environment or its own business conditions, the profit distribution policies may be adjusted. The Company's adjustments to the profit distribution policies shall comply with the conditions stipulated in the Articles of Association, and after detailed discussion and full listening and consideration of the opinions of Shareholders (especially minority Shareholders) and independent non-executive Directors, such adjustments shall be submitted to the shareholders' general meeting of the Company for approval after deliberation by the Board and approved by more than two-thirds of the voting rights held by Shareholders attending the shareholders' general meeting.

# CORPORATE GOVERNANCE REPORT

## (VI) Change of profit distribution policies of the Company:

In accordance with the “Notice on Further Implementation of Matters Related to Cash Dividends of Listed Companies”, the “Guidelines for the Supervision of Listed Companies No. 3 – Cash Dividends of Listed Companies” and other relevant laws and regulations, the Shareholders Return Plan in the Next Three Years (2024-2026) has been reviewed and approved by the fourth meeting of the Company’s seventh session of the Board on 30 August 2024. The above Shareholders Return Plan has been approved by voting at the 2024 AGM held on 23 May 2025. The specific contents are as follows:

1. Form of profit distribution: The Company distributes dividends in cash, shares or a combination of cash and shares. Under certain circumstances, the Company should give priority to the form of cash.
2. Proportion or amount of cash dividends: On the premise that cash flows can meet normal operations and long-term development, the Company’s profit distribution target for the next three years is, in principle, to pay a cash dividend of no less than RMB0.05 per share (tax included) each year and the total cash dividend shall not be less than 30% of the audited net profit attributable to Shareholders of the listed Company in that year.
3. The Company’s cash dividends in the next three years shall meet the following conditions: Except for special circumstances, the Company is profitable in that particular year and the accumulated retained earnings are positive, and the Company’s cash flows can meet the Company’s normal operations and sustainable development; the above-mentioned special circumstances refer to the occurrence of major investments or major cash expenditures of the Company (excluding fundraising projects). Major investments or major cash expenditures refer to matters that need to be reviewed and approved by the shareholders’ general meeting in accordance with relevant laws and regulations and the Company’s Articles of Association.

# CORPORATE GOVERNANCE REPORT

The formulation of the shareholders return plan is in compliance with relevant national laws and regulations and the Articles of Association:

- (1) The Company's profit distribution policy shall maintain continuity and stability, while taking into account the long-term interests of the Company, the overall interests of all Shareholders and the sustainable development of the Company;
- (2) The Company fully listens to and considers the opinions of minority Shareholders and attaches importance to providing reasonable investment returns to investors;
- (3) Cash dividends are considered as the preferred method for profit distribution.

## 11. Staff Diversity in Workplace

The Company believes creating a culture of diversity and inclusion helps our employees unleash their potentials. The Company attaches importance to staff diversity in the workplace, and therefore the Company provides equal opportunities for all applicants and employees regardless of race, colour, national origin, religion, gender, marital status, age, sexual orientation, and disability. The Company is committed to treating all employees with fairness and respect. Employees are hired based on their abilities and merits. The Company treats all the employees equally, regardless their background, religions, races and gender etc. The promotion within the Company is completely based on the performance of the individual but nothing else.

As at 31 December 2025, gender ratio of employees of the Group (including the Directors, senior management and others) is 75.9% (male) and 24.1% (female). Therefore, male employees outnumbered female employees. The Company will be committed to maintaining a balance between male and female employees to narrow the gap between the number of male and female. The Company tends to employ more male employees than female employees due to the nature of the Company's production and manufacturing business. The Company wishes to narrow the gap of the gender ratio of employees of the Group (including the Directors, senior management and others) to achieve the target of keeping balance in the future. During the Reporting Period, the Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant. In order to cope with the situation that there are more male employees than female employees and to achieve the target gender ratio, taking into account the overall development plan and strategy and the need of the Group's customers, the Company will provide more trainings to attract female employees to work in the production and manufacturing business.

# CORPORATE GOVERNANCE REPORT

## 12. ANTI-CORRUPTION AND WHISTLEBLOWING POLICIES

The Group has established the anti-bribery and corruption policy and whistleblowing system for the Board members, management, employees and third parties who represent the Group, such as suppliers, contractors and business partners, to ensure the Group and the relevant stakeholders will uphold the highest standards of professional integrity.

The whistleblowing system not only can further strengthen the internal control environment of the Group, it also acts as a channel for the staff of the Group to report any illegal behaviours, and is dedicated to external stakeholders to report any suspected misconduct, malpractice or illegal acts. For details of the anti -corruption and whistleblowing policies of the Group, please refer to the 2025 Environmental, Social and Governance Report to be published on the same date of this Annual Report.

## 13. POLICY AND PROCEDURES ON DISCLOSURE OF INSIDE INFORMATION

The Group regulates the handling and dissemination of inside information according to internal procedures and policies so as to ensure inside information remains confidential until the disclosure and publication of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made.

The Board is responsible for approving the policy on disclosure of inside information which aims at providing guiding principles, practices and procedures to assist employees and officers of the Group in (i) relaying inside information to the Board to enable it to make timely decisions on disclosure, if necessary; and (ii) communicating with the Group's stakeholders, in ways which are in compliance with the SFO and the Listing Rules.

An employee who becomes aware of a matter or event that he/she considers to be material or inside information shall report to his/her division/department head who will assess the sensitivity of the relevant information and, if considered appropriate, escalate and report to the Board and/or the company secretary of the Company.

## 14. SHAREHOLDERS ENGAGEMENT

### Directors' Shareholding Interests

Directors' interests in the Company's securities as at 31 December 2025 are disclosed in the Directors' Report on page 77. All Directors have confirmed, following specific enquiry by the Company, that throughout the year ended 31 December 2025 they have complied with the required standard set out in the Model Code and the Company's own Code for Securities Transactions. The Company's own Code for Securities Transactions is largely based on the Model Code set out in Appendix C3 of the Listing Rules and is on terms no less exacting than those in the Model Code.

# CORPORATE GOVERNANCE REPORT

The Company has maintained sufficient public float as required under the Listing Rules during the Reporting Period and up to the date of this Annual Report.

## Important shareholders' dates in 2026

The following are the key shareholder-related dates and events:

Date	Event
Monday, 30 March 2026	Publication of announcement of annual result for the year ended 31 December 2025
Wednesday, 29 April 2026	Publication of this Annual Report
Wednesday, 29 April 2026	Publication of the 2025 Environmental, Social and Governance Report
Friday, 29 May 2026	Latest time to lodge transfers of shares to qualify for the right to attend and vote at the 2025 AGM
From Monday, 1 June 2026 to Thursday, 4 June 2026	Closure of register of members for ascertaining Shareholders' right to attend and vote at the 2025 AGM
Thursday, 4 June 2026	Date of 2025 AGM
Thursday, 18 June 2026	Latest time to lodge transfers of shares to qualify for the right to receive the final dividends for the Reporting Period
From Monday, 22 June 2026 to Monday, 29 June 2026	Closure of register of members for determining entitlements of the Shareholders to receive the final dividends for the Reporting Period
Friday, 31 July 2025	Expected date of distribution of final dividends for the Reporting Period

On behalf of the Board

**Jiang Yingwu**  
*Chairman & Executive Director*  
 Beijing, the PRC  
 30 March 2026

# AUDITORS' REPORT



# Auditors' Report

De Shi Bao (Shen) Zi (26) No. P04013

To the shareholders of BBMG Corporation,

## I. Audit opinion

We have audited the financial statements of BBMG Corporation (hereinafter referred to as "BBMG"), which comprise the consolidated and the Company's balance sheets as at 31 December 2025, the consolidated and the Company's income statements, the consolidated and the Company's statement of cash flows, the consolidated and the Company's statement of changes in shareholders' equity for 2025 and the relevant notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material aspects, the consolidated and the Company's financial position of BBMG as at 31 December 2025 and the consolidated and the Company's operating results and the consolidated and the Company's cash flows for 2025 in accordance with the Accounting Standards for Business Enterprises.

## II. Basis for audit opinion

We conducted our audit in accordance with China's Auditing Standards for the Certified Public Accountants. Our responsibilities under those standards are further described in the section "Certified Public Accountants' responsibilities for the audit of the financial statements" under the auditors' report. Pursuant to the China's CPA Independence Standards No. 1 – Requirements for Independence of Financial Statement Audit and Review Business and the Code of Ethics for Chinese Certified Public Accountants, we are independent of BBMG and we have fulfilled our other ethical responsibilities. We have complied with the independence requirements for auditing public interest entities during the audit process. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## III. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We determined the following matters are key audit matters that need to be communicated in the audit report.

### Impairment of goodwill related to the asset group of BBMG Jidong

#### 1. Description of the matter

As stated in Note V. 23 to the financial statements, as at 31 December 2025, carrying value of goodwill arising from the acquisition of BBMG Jidong Cement Group Co., Ltd. (金隅冀東水泥集團股份有限公司) (hereinafter referred to as "BBMG Jidong") in the consolidated financial statements amounted to RMB2.014 billion.

As stated in Note III. 17 and 33 to the financial statements, BBMG measures the goodwill acquired in the business combination at the amount of the cost less the accumulated impairment loss after the initial recognition, and tests for impairment at least at the end of each year. Impairment test on goodwill requires an estimate of the recoverable amount of the relevant asset group containing goodwill. When determining the recoverable amount of the relevant asset group using the present value of estimated future cash flows, it involves the management's estimates of the future economic and market environment, as well as the selection of key parameters such as the future cash flow expected to be generated and discount rates. The goodwill impairment test involves significant estimates and judgements, and the amount of goodwill allocated to the asset group of BBMG Jidong is significant, therefore, we identified impairment of goodwill related to the asset group of BBMG Jidong as the key audit matter.

## Auditors' Report (continued)

### III. Key audit matters (continued)

#### Impairment of goodwill related to the asset group of BBMG Jidong (continued)

##### 2. *Audit Responses*

The audit procedures we carried out for the impairment of goodwill related to the asset group of BBMG Jidong mainly include:

- (1) understood and evaluated the design and implementation of key internal control related to the impairment of goodwill of the asset group of BBMG Jidong, and tested the effectiveness of its operation;
- (2) examined the basis for the management's allocation of the goodwill to the asset group of BBMG Jidong and evaluated its reasonableness;
- (3) evaluated the assumptions and methods adopted by the management in estimate of the recoverable amounts of asset groups;
- (4) reviewed the cash flow projection, including checking and examining the estimated production volumes, future sales prices, growth rates, estimated gross profit margin and relevant expenses, and compared them with the historical data of the asset groups and the industry benchmark for analysis;
- (5) with the assistance of the internal valuation specialists, evaluated the appropriateness of the impairment test method and model adopted by the management, and the reasonableness of key parameters such as the applied discount rates and perpetual growth rates;
- (6) evaluated the reasonableness of management's estimates by comparing the current year's actual results with the respective forecasts used in the prior year's impairment tests;
- (7) checked whether the disclosures in notes to the financial statements regarding the impairment assessment of goodwill and the key assumptions adopted comply with the requirements of the Accounting Standards for Business Enterprises.

#### Valuation of fair value of investment properties

##### 1. *Description of the matter*

As stated in Note V. 18 to the financial statements, as at 31 December 2025, the carrying value of the investment properties in the consolidated financial statements amounted to RMB47.872 billion.

As stated in Note III. 12 and 33 to the financial statements, BBMG subsequently measured the investment properties using fair value model, and the fair value of investment properties were determined based on the value appraised by the external professional asset valuer. The valuation of the fair value of investment properties involved in the significant judgments and estimates made by the management, therefore, we identified the valuation of the fair value of investment properties as the key audit matter.

## Auditors' Report (continued)

### III. Key audit matters (continued)

#### Valuation of fair value of investment properties (continued)

##### 2. Audit Responses

The audit procedures we carried out for the valuation of the fair value of investment properties mainly include:

- (1) assessed the independence, objectivity and competence of the third-party asset valuer, and understood the scope of work of the asset valuer;
- (2) obtained asset appraisal report, communicated with the management and the asset valuer, evaluated the reasonableness of the valuation methods based on the understanding of the real estate industry and investment properties business, and checked whether the relevant calculation of the valuation model is accurate;
- (3) reviewed the basic information involved in the valuation, including area, property nature, lease term, rental income, etc.
- (4) selected material or typical samples and engaged the internal valuation specialists to review and assess the valuation method, assumptions and key valuation inputs selected, such as anticipated rentals in the future, occupancy rates and discount rates;
- (5) reviewed the presentation and disclosures on the valuation of the fair value of investment properties in the financial statements.

### IV. Other information

The management of BBMG is responsible for the other information. The other information comprises the information included in the 2025 annual report of BBMG, but does not include the financial statements and our auditors' report.

Our audit opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the work we have performed, if we are certain that the other information is materially misstated, we should report the facts. In this regard, we have nothing to report.

## Auditors' Report (continued)

### **V. Responsibilities of the Management and those charged with governance for the financial statements**

The management of BBMG is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, performance and maintenance of such internal control as the management determines necessary to enable the financial statements to be free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing BBMG's ability to continue as a going concern, disclosing, as applicable, matters related to continuing as a going concern and using the assumptions of continuing as a going concern unless the management is intended to either commence liquidation of BBMG or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing BBMG's financial reporting process.

### **VI. Certified Public Accountants' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our audit opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are usually considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with the auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also perform the following tasks:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design appropriate audit procedures
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the Management's use of the assumptions of continuing as a going concern and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on BBMG's ability to continue as a going concern. If we conclude that a material uncertainty exists, the auditing standards require us to draw attention of users of the financial statements in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the information obtained up to the date of our auditors' report. However, future events or conditions may cause BBMG to cease to continue as a going concern.

## Auditors' Report (continued)

### VI. Certified Public Accountants' responsibilities for the audit of the financial statements (continued)

- (5) Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within BBMG to express an audit opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance the matters regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about these matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Deloitte Touche Tohmatsu Certified Public Accountants LLP**

Shanghai, the PRC

*Chinese Certified Public Accountant (Engagement Partner):* Xu Bin

*Chinese Certified Public Accountant:* Niu Shuang

30 March 2026

**Audited Consolidated Balance Sheet**

As at 31 December 2025

Unit: RMB

Items	Note V	31 December 2025	31 December 2024
<b>Current assets</b>			
Cash and bank balances	1	<b>16,224,112,174.45</b>	18,292,078,276.08
Financial assets held for trading	2	<b>970,596,554.47</b>	1,172,593,404.61
Bills receivable	3	<b>497,663,264.11</b>	807,322,521.79
Accounts receivable	4	<b>11,399,856,092.87</b>	10,587,441,407.24
Financing receivables	5	<b>850,433,443.17</b>	885,835,186.93
Prepayments	6	<b>3,248,897,713.60</b>	3,106,818,812.94
Other receivables	7	<b>7,526,941,670.00</b>	5,419,560,183.17
Inventories	8	<b>82,479,958,825.66</b>	83,656,491,773.69
Contract assets	9	<b>614,904,814.96</b>	489,245,361.82
Non-current assets due within one year	10	<b>1,722,372,285.64</b>	766,358,369.93
Other current assets	11	<b>8,514,243,262.79</b>	8,011,719,626.52
<b>Total current assets</b>		<b>134,049,980,101.72</b>	133,195,464,924.72
<b>Non-current assets</b>			
Debt investments	12	<b>30,534,002.82</b>	858,770,664.33
Other debt investments	13	<b>467,784,342.37</b>	-
Long-term receivables	14	<b>1,444,633,484.74</b>	2,089,895,870.55
Long-term equity investments	15	<b>8,956,983,997.42</b>	9,358,406,745.44
Investment in other equity instruments	16	<b>998,410,315.35</b>	654,486,823.56
Other non-current financial assets	17	<b>798,123,889.85</b>	489,561,240.56
Investment properties	18	<b>47,872,002,131.58</b>	45,050,117,856.24
Fixed assets	19	<b>42,222,283,377.14</b>	45,233,562,353.34
Construction in progress	20	<b>2,034,712,328.72</b>	2,003,383,911.57
Right-of-use assets	21	<b>887,121,459.33</b>	946,709,363.05
Intangible assets	22	<b>16,712,274,749.55</b>	16,271,662,332.20
Goodwill	23	<b>2,830,149,265.40</b>	2,644,369,314.19
Long-term deferred expenditures	24	<b>2,070,162,276.61</b>	1,974,373,975.35
Deferred income tax assets	25	<b>1,899,441,899.76</b>	2,917,647,914.59
Other non-current assets	26	<b>344,360,056.00</b>	307,307,411.42
<b>Total non-current assets</b>		<b>129,568,977,576.64</b>	130,800,255,776.39
<b>Total assets</b>		<b>263,618,957,678.36</b>	263,995,720,701.11

## Audited Consolidated Balance Sheet (continued)

As at 31 December 2025

Unit: RMB

Items	Note V	31 December 2025	31 December 2024
<b>Current liabilities</b>			
Short-term loans	28	<b>25,676,730,398.34</b>	28,335,162,449.14
Bills payable	29	<b>4,150,182,175.87</b>	3,055,166,040.97
Accounts payable	30	<b>16,573,021,864.84</b>	20,944,153,978.57
Receipts in advance	31	<b>318,616,077.79</b>	326,427,424.85
Contract liabilities	32	<b>7,075,184,375.04</b>	5,988,832,582.80
Wages payable	33	<b>298,609,978.78</b>	297,399,921.72
Tax payable	34	<b>881,053,789.84</b>	1,204,735,864.89
Other payables	35	<b>7,117,883,604.60</b>	6,660,906,438.99
Non-current liabilities due within one year	36	<b>25,253,636,923.72</b>	20,823,307,618.07
Short-term financing bonds payable	39	<b>1,000,644,383.56</b>	6,026,458,630.14
Other current liabilities	37	<b>3,437,074,628.40</b>	3,116,401,307.48
<b>Total current liabilities</b>		<b>91,782,638,200.78</b>	96,778,952,257.62
<b>Non-current liabilities</b>			
Long-term loans	38	<b>55,537,629,277.57</b>	50,899,057,721.01
Bonds payable	39	<b>16,158,542,279.88</b>	14,913,432,646.31
Lease liabilities	40	<b>431,305,371.38</b>	458,491,118.63
Long-term payables	41	<b>448,900,721.25</b>	259,601,004.90
Long-term wages payable	42	<b>363,692,973.72</b>	389,947,884.18
Estimated liabilities	43	<b>651,294,169.20</b>	689,202,184.41
Deferred income	44	<b>787,864,000.33</b>	798,598,254.47
Deferred income tax liabilities	25	<b>6,883,052,149.62</b>	6,691,116,499.36
Other non-current liabilities	45	<b>1,658,378,539.18</b>	-
<b>Total non-current liabilities</b>		<b>82,920,659,482.13</b>	75,099,447,313.27
<b>Total liabilities</b>		<b>174,703,297,682.91</b>	171,878,399,570.89

**Audited Consolidated Balance Sheet (continued)**

As at 31 December 2025

Unit: RMB

Items	Note V	31 December 2025	31 December 2024
Equity attributable to shareholders			
Share capital	46	<b>10,677,771,134.00</b>	10,677,771,134.00
Other equity instruments	47	<b>30,238,550,000.00</b>	30,457,376,000.00
<i>Including: Perpetual bonds</i>		<b>30,238,550,000.00</b>	30,457,376,000.00
Capital reserve	48	<b>5,016,200,135.25</b>	5,038,256,982.55
Other comprehensive income	49	<b>784,397,424.58</b>	672,456,324.65
Specific reserve	50	<b>32,946,315.73</b>	79,233,220.09
Surplus reserve	51	<b>3,136,562,941.30</b>	3,032,786,180.00
General risk reserve	52	<b>497,216,299.67</b>	497,216,299.67
Retained earnings	53	<b>20,640,609,530.17</b>	23,262,404,290.69
Total equity attributable to the shareholders of the parent company		<b>71,024,253,780.70</b>	73,717,500,431.65
Minority interests		<b>17,891,406,214.75</b>	18,399,820,698.57
Total equity attributable to shareholders		<b>88,915,659,995.45</b>	92,117,321,130.22
Total liabilities and equity attributable to shareholders		<b>263,618,957,678.36</b>	263,995,720,701.11

The accompanying notes form an integral part of these financial statements

The financial statements have been signed by:

Officer-in-charge of the Company:  
**Jiang Yingwu**Chief accountant:  
**Zheng Baojin**Head of the accounting department:  
**Zhang Qichen**

## Audited Consolidated Income Statement

For the year ended 31 December 2025

Unit: RMB

Items	Note V	2025	2024
Operating revenue	54	<b>91,113,100,214.76</b>	110,711,819,398.74
Less: Operating costs	54	<b>80,170,787,568.40</b>	99,133,841,345.85
Tax and surcharges	55	<b>1,326,527,522.02</b>	1,349,662,765.82
Selling expenses	56	<b>2,333,882,878.46</b>	2,333,323,340.27
Administrative expenses	57	<b>6,611,840,995.86</b>	6,648,396,353.40
Research and development expenses	58	<b>742,008,778.15</b>	665,894,604.90
Finance costs	59	<b>2,629,614,707.84</b>	2,797,247,842.41
Including: Interest expenses	59	<b>2,809,796,250.47</b>	2,939,700,546.05
Interest income	59	<b>235,822,071.41</b>	210,204,723.33
Add: Other gains	60	<b>816,173,318.96</b>	604,687,659.64
Investment gains	61	<b>504,779,090.22</b>	1,063,076,974.32
Including: Gains from investment in associates and joint ventures	61	<b>(41,270,680.14)</b>	364,658,696.36
Derecognition gains on financial assets measured at amortized cost	61	<b>204,373,010.72</b>	610,318,847.54
Gains from changes in fair value	62	<b>403,792,418.23</b>	738,500,314.17
Credit impairment gains	63	<b>77,982,351.14</b>	222,244,867.29
Asset impairment losses	64	<b>(1,451,393,886.68)</b>	(1,228,372,052.49)
Gains on disposal of assets	65	<b>1,992,982,184.78</b>	1,199,012,007.98
Operating profit		<b>(357,246,759.32)</b>	382,602,917.00
Add: Non-operating revenue	66	<b>567,640,538.62</b>	415,215,502.37
Less: Non-operating expenses	67	<b>178,043,230.53</b>	341,719,053.44
Total profit		<b>32,350,548.77</b>	456,099,365.93
Less: Income tax expenses	69	<b>1,538,990,082.86</b>	1,990,308,295.08
Net profit		<b>(1,506,639,534.09)</b>	(1,534,208,929.15)
Classified by continuity of operations			
Net profit from continuing operations		<b>(1,506,639,534.09)</b>	(1,534,208,929.15)
Classified by attribution of ownership			
Net profit attributable to the shareholders of the parent company		<b>(1,009,466,516.70)</b>	(555,162,082.74)
Minority interests		<b>(497,173,017.39)</b>	(979,046,846.41)

**Audited Consolidated Income Statement (continued)**

For the year ended 31 December 2025

Unit: RMB

Items	Note V	2025	2024
Net other comprehensive income after tax	49	<b>138,668,906.77</b>	19,516,768.43
Net other comprehensive income after tax attributable to shareholders of the parent company		<b>116,174,175.13</b>	40,094,074.59
Other comprehensive income not allowed to be reclassified into profit or loss		<b>28,262,015.22</b>	12,294,666.14
Changes arising from re-measurement of defined benefit plans		<b>16,594,075.30</b>	(9,026,597.56)
Changes in fair value of investment in other equity instruments		<b>11,667,939.92</b>	21,321,263.70
Other comprehensive income to be reclassified into profit or loss		<b>87,912,159.91</b>	27,799,408.45
Other comprehensive income that may be reclassified to profit or loss under equity method		<b>5,868,575.61</b>	1,554,022.73
Changes in fair value of other debt investments		<b>(578,925.00)</b>	-
Exchange differences on foreign currency translation		<b>(3,943,593.01)</b>	(4,077,472.38)
The difference between the fair value and the carrying value of self-occupied properties or inventories on the date when it changed to the investment properties measured with the fair value model		<b>86,566,102.31</b>	30,322,858.10
Net other comprehensive income after tax attributable to minority interests	49	<b>22,494,731.64</b>	(20,577,306.16)
Total comprehensive income		<b>(1,367,970,627.32)</b>	(1,514,692,160.72)
Total comprehensive income attributable to the shareholders of the parent company		<b>(893,292,341.57)</b>	(515,068,008.15)
Total comprehensive income attributable to minority interests		<b>(474,678,285.75)</b>	(999,624,152.57)
Basic and diluted earnings per share	70		
Before deducting other equity instrument indicators		<b>(0.09)</b>	(0.05)
After deducting other equity instrument indicators		<b>(0.19)</b>	(0.15)

The accompanying notes form an integral part of these financial statements

The financial statements have been signed by:

Officer-in-charge of the Company:  
**Jiang Yingwu**Chief accountant:  
**Zheng Baojin**Head of the accounting department:  
**Zhang Qichen**

## Audited Consolidated Statement of Changes in Shareholders' equity

For the year ended 31 December 2025

Unit: RMB

2025

Items	2025							Total shareholders' equity			
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve		Retained earnings	Subtotal	Minority interests
I. Balance at the end of last year	10,677,771,134.00	30,457,376,000.00	5,038,256,982.55	672,466,324.65	79,233,220.09	3,032,766,180.00	497,216,299.67	23,262,404,290.69	73,717,500,431.65	18,399,820,698.57	92,117,321,130.22
II. Movements during the year	-	-	-	116,174,175.13	-	-	-	(1,009,466,516.70)	(893,292,341.57)	(474,678,285.75)	(1,367,970,627.32)
(1) Total comprehensive income	-	-	-	-	-	-	-	-	-	509,600,000.00	509,600,000.00
(2) Capital contribution and reduction from owners	-	-	-	-	-	-	-	-	-	(536,280,000.00)	(536,280,000.00)
1. Capital increase by minority shareholders	-	-	-	-	-	-	-	-	-	261,790,105.51	261,790,105.51
2. Capital reduction by minority shareholders	-	-	-	-	-	-	-	-	-	-	-
3. Business combinations not under common control	-	-	-	-	-	-	-	-	-	-	-
4. Amounts of share-based payments recognised in owner's equity	-	-	-	-	-	-	-	-	-	5,306,140.28	5,306,140.28
5. Deregistration of subsidiaries	-	-	-	-	-	-	-	-	-	(1,320,000.00)	(1,320,000.00)
(3) Others - principal of perpetual bonds	-	11,271,250,000.00	-	-	-	-	-	-	11,271,250,000.00	-	11,271,250,000.00
1. Issuance of perpetual bonds	-	(11,490,076,000.00)	(9,924,000.00)	-	-	-	-	-	(11,500,000,000.00)	-	(11,500,000,000.00)
2. Redemption of perpetual bonds	-	-	-	-	-	-	-	-	-	-	-
(4) Profit distribution	-	-	-	-	-	103,776,761.30	-	(103,776,761.30)	-	-	-
1. Appropriation of surplus reserve	-	-	-	-	-	-	-	(533,888,556.70)	(533,888,556.70)	(242,016,870.80)	(775,905,427.50)
2. Dividend to shareholders	-	-	-	-	-	-	-	(978,896,001.02)	(978,896,001.02)	-	(978,896,001.02)
3. Interest on perpetual bonds	-	-	-	-	-	-	-	-	-	-	-
(5) Internal carry-forward of owners' equity	-	-	-	(4,233,075.20)	-	-	-	4,233,075.20	-	-	-
1. Carry-forward of other comprehensive income for retained earnings	-	-	-	-	-	-	-	-	-	-	-
(6) Specific reserve	-	-	-	-	170,863,465.30	-	-	-	170,863,465.30	180,724,908.72	351,588,374.02
1. Appropriated during the year	-	-	-	-	(217,150,369.66)	-	-	-	(217,150,369.66)	(211,540,481.78)	(428,690,851.44)
2. Used during the year	-	-	-	-	-	-	-	-	-	-	-
(7) Others	-	-	(12,132,847.30)	-	-	-	-	-	(12,132,847.30)	-	(12,132,847.30)
1. Changes in other equity of owners under equity method	-	-	-	-	-	-	-	-	-	-	-
III. Balance at the end of the year	10,677,771,134.00	30,238,550,000.00	5,016,200,135.25	784,397,424.58	32,946,315.73	3,136,562,941.30	497,216,299.67	20,640,809,530.17	71,024,253,780.70	17,891,406,214.75	88,915,659,995.45

**Audited Consolidated Statement of Changes in Shareholders' equity (continued)**

For the year ended 31 December 2025

Unit: RMB

Items	2024										Minority interests	Total shareholders' equity
	Share capital	Other equity instruments	Capital reserve	Equity attributable to the owners of the parent company Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Retained earnings	Subtotal			
I. Balance at the end of last year	10,677,771,134.00	27,468,376,000.00	5,461,112,758.98	632,362,250.06	68,415,551.23	2,935,800,236.68	496,135,662.64	25,267,051,623.61	73,007,025,417.20	21,357,345,356.66	94,364,370,816.86	
II. Movements during the year	-	-	-	40,094,074.59	-	-	-	(655,162,082.74)	(515,068,008.15)	(999,624,152.57)	(1,514,692,160.72)	
(1) Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-	
(2) Capital contribution and reduction from owners	-	-	(176,480,935.41)	-	-	-	-	-	(176,480,935.41)	(1,044,276,159.60)	(1,220,757,095.01)	
1. Equity transactions that do not affect control	-	-	-	-	-	-	-	-	-	-	-	
2. Capital reduction by minority shareholders of non-wholly owned subsidiary	-	-	(246,374,841.02)	-	-	-	-	-	(246,374,841.02)	(1,557,418,423.76)	(1,803,793,264.78)	
3. Business combinations not under common control	-	-	-	-	-	-	-	-	-	23,727,068.64	23,727,068.64	
4. Issuance of perpetual bonds	-	4,489,000,000.00	-	-	-	-	-	-	4,489,000,000.00	-	4,489,000,000.00	
5. Redemption of perpetual bonds	-	(1,500,000,000.00)	-	-	-	-	-	-	(1,500,000,000.00)	-	(1,500,000,000.00)	
6. Capital contributed by minority shareholders of non-wholly owned subsidiary	-	-	-	-	-	-	-	-	-	662,281,635.18	662,281,635.18	
(3) Profit distribution	-	-	-	-	-	96,985,943.32	-	(96,985,943.32)	-	-	-	
1. Appropriation of surplus reserve	-	-	-	-	-	-	-	-	-	-	-	
2. Appropriation of general risk reserve	-	-	-	-	-	1,080,437.03	-	(1,080,437.03)	-	-	-	
3. Dividend to shareholders	-	-	-	-	-	-	-	(266,944,278.35)	(266,944,278.35)	(25,174,281.37)	(292,118,559.72)	
4. Others	-	-	-	-	-	-	-	(1,084,474,591.48)	(1,084,474,591.48)	-	(1,084,474,591.48)	
(4) Specific reserve	-	-	-	-	190,121,423.59	-	-	-	190,121,423.59	198,380,254.00	388,501,677.59	
1. Appropriated during the year	-	-	-	-	(179,303,754.73)	-	-	-	(179,303,754.73)	(185,420,842.61)	(364,724,597.34)	
2. Use during the year	-	-	-	-	-	-	-	-	-	-	-	
III. Balance at the end of the year	10,677,771,134.00	30,457,376,000.00	5,038,256,982.55	672,456,324.65	79,233,220.09	3,032,786,180.00	497,216,299.67	23,262,044,290.69	73,717,500,431.65	18,399,820,698.57	92,117,321,130.22	

The accompanying notes form an integral part of these financial statements

# Audited Consolidated Statement of Cash Flows

For the year ended 31 December 2025

Unit: RMB

Items	Note V	2025	2024
<b>I. Cash flows from operating activities:</b>			
Cash received from sale of goods or rendering of services		100,061,477,765.00	90,076,450,979.31
Refunds of taxes		236,414,964.38	457,571,169.30
Net decrease in deposits placed with the Central Bank		171,494,236.09	-
Cash received from other operating activities	71	4,230,896,154.80	5,761,703,672.97
Subtotal of cash inflows from operating activities		104,700,283,120.27	96,295,725,821.58
Cash paid for goods and services		80,167,862,165.35	78,565,282,839.73
Cash paid to and on behalf of employees		7,287,570,112.69	7,469,648,805.96
Cash paid for all types of taxes		6,333,260,364.80	5,462,450,615.28
Net increase in deposits placed with the Central Bank		-	25,752,214.54
Cash paid for other operating activities	71	9,725,861,829.86	10,088,683,669.57
Subtotal of cash outflows from operating activities		103,514,554,472.70	101,611,818,145.08
Net cash flows from/(used in) operating activities	72	1,185,728,647.57	(5,316,092,323.50)
<b>II. Cash flows from investing activities:</b>			
Cash received from redemption of investments	71	3,201,084,715.66	2,934,795,414.61
Cash received from return on investments		412,522,120.76	291,233,868.00
Net cash received from disposal of subsidiaries and other operating units	72	666,059,721.22	257,515,537.58
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		2,952,404,380.99	1,412,532,309.17
Cash received from other investing activities	71	422,611,479.68	258,881,431.57
Subtotal of cash inflows from investing activities		7,654,682,418.31	5,154,958,560.93
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		2,875,925,619.05	3,414,123,799.10
Cash paid for investments	71	3,145,476,693.75	3,039,641,593.08
Decrease in net cash received from disposal of subsidiaries and other operating units		-	15,102,554.57
Net cash paid for acquisition of subsidiaries and other operating units	72	1,657,695,096.63	-
Cash paid for other investing activities	71	730,913,998.09	694,779,000.00
Subtotal of cash outflows from investing activities		8,410,011,407.52	7,163,646,946.75
Net cash flows used in investing activities		(755,328,989.21)	(2,008,688,385.82)

**Audited Consolidated Statement of Cash Flows (continued)**

For the year ended 31 December 2025

Unit: RMB

Items	Note V	2025	2024
III. Cash flows from financing activities:			
Cash received from investment absorption		509,600,000.00	662,281,835.18
<i>Including: Cash received by subsidiaries from minority interests</i>		509,600,000.00	662,281,835.18
Cash received from issuance of bonds		6,478,000,000.00	17,288,500,000.00
Cash received from issuance of perpetual bonds		11,271,250,000.00	4,489,000,000.00
Cash received from borrowings		53,962,862,595.79	57,951,535,973.91
Cash received from other financing activities	71	2,078,720,259.12	496,360,506.63
Subtotal of cash inflows from financing activities		74,300,432,854.91	80,887,678,315.72
Cash paid for repayment of debts		42,577,507,854.29	45,840,599,707.45
Cash paid for distribution of dividends or profits or for interest expenses		4,495,808,421.71	4,923,988,704.59
<i>Including: Dividends and profits paid by subsidiaries to minority shareholders</i>		242,016,870.80	19,195,934.58
Cash paid for repayment of bonds		16,089,918,718.39	16,504,429,269.70
Cash paid for repayment of perpetual bonds		11,500,000,000.00	1,500,000,000.00
Cash paid for other financing activities	71	1,297,569,165.17	3,704,759,261.91
Subtotal of cash outflows from financing activities		75,960,804,159.56	72,473,776,943.65
Net cash flows (used in)/from financing activities		(1,660,371,304.65)	8,413,901,372.07
IV. Effect of changes in exchange rate on cash and cash equivalent		6,114,175.07	2,621,543.33
V. Net (decrease)/increase in cash and cash equivalents	72	(1,223,857,471.22)	1,091,742,206.08
Add: Balance of cash and cash equivalents at the beginning of the year	72	14,870,850,675.58	13,779,108,469.50
VI. Balance of cash and cash equivalents at the end of the year	72	13,646,993,204.36	14,870,850,675.58

The accompanying notes form an integral part of these financial statements

The financial statements have been signed by:

Officer-in-charge of the Company:  
**Jiang Yingwu**Chief accountant:  
**Zheng Baojin**Head of the accounting department:  
**Zhang Qichen**

## Audited Balance Sheet of the Company

For the year ended 31 December 2025

Unit: RMB

Items	Note XIV	31 December 2025	31 December 2024
<b>Current assets</b>			
Cash and bank balances		<b>6,214,567,977.01</b>	7,131,795,918.29
Accounts receivable		<b>11,834,233.14</b>	12,970,404.38
Other receivables	1	<b>69,044,672,379.21</b>	66,685,995,264.52
Other current assets	2	<b>736,351,950.75</b>	728,088,929.83
<b>Total current assets</b>		<b>76,007,426,540.11</b>	74,558,850,517.02
<b>Non-current assets</b>			
Long-term equity investments	3	<b>66,471,224,637.53</b>	66,117,688,596.92
Investment in other equity instruments		<b>350,095,345.32</b>	200,000.00
Other non-current financial assets		<b>798,123,889.85</b>	489,561,240.56
Investment properties	4	<b>14,382,591,848.42</b>	14,047,090,149.39
Fixed assets		<b>672,502,070.56</b>	729,051,441.75
Right-of-use assets		<b>2,191,983.01</b>	3,387,611.77
Intangible assets		<b>274,089,421.55</b>	306,391,942.86
Long-term deferred expenditures		<b>4,565,099.74</b>	6,226,321.42
Deferred income tax assets		<b>52,066,789.58</b>	119,652,060.43
Other non-current assets		<b>59,911,964.99</b>	487,023,579.87
<b>Total non-current assets</b>		<b>83,067,363,050.55</b>	82,306,272,944.97
<b>Total assets</b>		<b>159,074,789,590.66</b>	156,865,123,461.99

**Audited Balance Sheet of the Company (continued)**

As at 31 December 2025

Unit: RMB

Items	Note XIV	31 December 2025	31 December 2024
Current liabilities			
Short-term loans		<b>19,685,753,654.56</b>	21,789,889,327.02
Accounts payable		<b>16,428,967.30</b>	21,010,826.91
Receipts in advance		<b>102,825,666.96</b>	106,267,807.76
Wages payable		<b>20,733,202.88</b>	17,784,356.06
Tax payable		<b>38,064,430.57</b>	38,661,975.26
Other payables		<b>2,009,597,724.58</b>	2,358,573,876.37
Short-term financing bonds payable		<b>1,000,644,383.56</b>	6,026,458,630.14
Non-current liabilities due within one year		<b>14,621,340,183.96</b>	11,278,170,723.13
Total current liabilities		<b>37,495,388,214.37</b>	41,636,817,522.65
Non-current liabilities			
Long-term loans		<b>38,480,150,000.00</b>	35,013,600,000.00
Bonds payable		<b>13,192,700,152.03</b>	9,878,068,704.25
Lease liabilities		<b>931,454.30</b>	2,010,422.80
Long-term wages payable		<b>145,726,860.38</b>	162,495,406.46
Deferred income tax liabilities		<b>2,824,407,349.45</b>	2,740,531,924.69
Total non-current liabilities		<b>54,643,915,816.16</b>	47,796,706,458.20
Total liabilities		<b>92,139,304,030.53</b>	89,433,523,980.85
Equity attributable to shareholders			
Share capital		<b>10,677,771,134.00</b>	10,677,771,134.00
Other equity instruments		<b>30,448,550,000.00</b>	30,457,376,000.00
Including: Perpetual bonds		<b>30,448,550,000.00</b>	30,457,376,000.00
Capital reserve		<b>6,652,798,055.52</b>	6,674,854,902.82
Other comprehensive income		<b>318,630,665.62</b>	308,844,794.62
Surplus reserve		<b>3,136,562,941.30</b>	3,032,786,180.00
Retained earnings		<b>15,701,172,763.69</b>	16,279,966,469.70
Total equity attributable to shareholders		<b>66,935,485,560.13</b>	67,431,599,481.14
Total liabilities and equity attributable to shareholders		<b>159,074,789,590.66</b>	156,865,123,461.99

The accompanying notes form an integral part of these financial statements

The financial statements have been signed by:

Officer-in-charge of the Company:  
**Jiang Yingwu**Chief accountant:  
**Zheng Baojin**Head of the accounting department:  
**Zhang Qichen**

## Audited Income Statement of the Company

As at 31 December 2025

Unit: RMB

Items	Note XIV	2025	2024
Operating revenue	5	<b>822,416,320.04</b>	901,980,929.55
Less: Operating costs	5	<b>109,359,791.66</b>	107,547,041.85
Tax and surcharges		<b>129,885,853.35</b>	127,756,431.68
Selling expenses		<b>20,935,981.51</b>	21,882,339.76
Administrative expenses		<b>221,425,065.89</b>	214,837,224.15
Research and development expenses		<b>125,147,748.32</b>	120,078,104.34
Finance costs		<b>269,776,017.72</b>	363,595,619.31
Including: Interest expenses		<b>2,172,236,639.99</b>	2,239,217,862.81
Interest income		<b>1,917,082,058.56</b>	1,889,227,006.64
Add: Other gains		<b>220,278.75</b>	853,095.50
Investment gains	6	<b>883,939,675.94</b>	650,214,332.93
Including: Gain from investment in associates and joint ventures		<b>(176,607,632.54)</b>	94,092,971.50
Gains from changes in fair value		<b>319,531,743.22</b>	290,210,166.75
Credit impairment losses		<b>8,019.35</b>	9,113,985.00
Gains on disposal of assets		-	163,487,018.78
Operating profit		<b>1,149,585,578.85</b>	1,060,162,767.42
Add: Non-operating revenue		<b>43,658,761.49</b>	15,293,064.01
Less: Non-operating expenses		<b>4,016,031.72</b>	364,095.71
Total profit		<b>1,189,228,308.62</b>	1,075,091,735.72
Less: Income tax expenses		<b>151,460,695.61</b>	105,232,302.49
Net profit		<b>1,037,767,613.01</b>	969,859,433.23
Including: Net profit from continuing operations		<b>1,037,767,613.01</b>	969,859,433.23
Net other comprehensive income after tax		<b>9,785,871.00</b>	(3,914,580.00)
Other comprehensive income not allowed to be reclassified into profit or loss		<b>9,785,871.00</b>	(3,914,580.00)
Changes arising from re-measurement of defined benefit plans		<b>9,785,871.00</b>	(3,914,580.00)
Total comprehensive income		<b>1,047,553,484.01</b>	965,944,853.23

The accompanying notes form an integral part of these financial statements

The financial statements have been signed by:

Officer-in-charge of the Company:  
**Jiang Yingwu**

Chief accountant:  
**Zheng Baojin**

Head of the accounting department:  
**Zhang Qichen**

**Audited Statement of Changes in Shareholders' Equity of the Company**

For the year ended 31 December 2025

Unit: RMB

**2025**

Items	2025						
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total shareholders' equity
I. Balance at the beginning of the year	10,677,771,134.00	30,457,376,000.00	6,674,854,902.82	308,844,794.62	3,032,786,180.00	16,279,966,469.70	67,431,599,481.14
II. Movements during the year							
(1) Total comprehensive income	-	-	-	9,785,871.00	-	1,037,767,613.01	1,047,553,484.01
(2) Principal of perpetual bonds							
1. Issuance of perpetual bonds	-	11,481,250,000.00	-	-	-	-	11,481,250,000.00
2. Redemption of perpetual bonds	-	(11,490,076,000.00)	(9,924,000.00)	-	-	-	(11,500,000,000.00)
(3) Profit distribution							
1. Appropriation of surplus reserve	-	-	-	-	103,776,761.30	(103,776,761.30)	-
2. Dividend to shareholders	-	-	-	-	-	(533,888,556.70)	(533,888,556.70)
3. Interest on perpetual bonds	-	-	-	-	-	(978,896,001.02)	(978,896,001.02)
(4) Others							
1. Changes in other equity of owners under equity method	-	-	(12,132,847.30)	-	-	-	(12,132,847.30)
III. Balance at the end of the year	10,677,771,134.00	30,448,550,000.00	6,652,798,055.52	318,630,665.62	3,136,562,941.30	15,701,172,763.69	66,935,485,560.13

**2024**

Items	2024						
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total shareholders' equity
I. Balance at the beginning of the year	10,677,771,134.00	27,468,376,000.00	6,674,854,902.82	312,759,374.62	2,935,800,236.68	16,758,511,849.62	64,828,073,497.74
II. Movements during the year							
(1) Total comprehensive income	-	-	-	(3,914,580.00)	-	969,859,433.23	965,944,853.23
(2) Capital contribution and reduction from owners							
1. Others	-	2,989,000,000.00	-	-	-	-	2,989,000,000.00
(3) Profit distribution							
1. Appropriation of surplus reserve	-	-	-	-	96,985,943.32	(96,985,943.32)	-
2. Dividend to shareholders	-	-	-	-	-	(266,944,278.35)	(266,944,278.35)
3. Others	-	-	-	-	-	(1,084,474,591.48)	(1,084,474,591.48)
III. Balance at the end of the year	10,677,771,134.00	30,457,376,000.00	6,674,854,902.82	308,844,794.62	3,032,786,180.00	16,279,966,469.70	67,431,599,481.14

The accompanying notes form an integral part of these financial statements

## Audited Statement of Cash Flows of the Company

For the year ended 31 December 2025

Unit: RMB

Items	Note XIV	2025	2024
<b>I. Cash flows from operating activities:</b>			
Cash received from sale of goods or rendering of services		893,648,574.39	963,096,838.01
Cash received from other operating activities		42,258,799,943.89	20,721,315,004.79
Subtotal of cash inflows from operating activities		43,152,448,518.28	21,684,411,842.80
Cash paid for goods and services		62,718,936.25	64,977,227.59
Cash paid to and on behalf of employees		100,447,645.46	105,880,979.82
Cash paid for all types of taxes		179,583,873.75	180,947,682.17
Cash paid for other operating activities		43,606,422,559.07	27,750,997,491.10
Subtotal of cash outflows from operating activities		43,949,173,014.53	28,102,803,380.68
Net cash flows used in operating activities		(796,724,496.25)	(6,418,391,537.88)
<b>II. Cash flows from investing activities:</b>			
Cash received from redemption of investments		10,871,725.10	31,319,379.39
Cash received from return on investments		750,372,200.19	604,461,703.57
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		129,858,260.00	34,835,577.50
Net cash received from disposal of subsidiaries and other operating units		737,643,500.00	2,352,684.13
Subtotal of cash inflows from investing activities		1,628,745,685.29	672,969,344.59
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		21,495,130.12	44,111,493.10
Cash paid for investments		930,956,518.52	2,402,322,609.69
Subtotal of cash outflows from investing activities		952,451,648.64	2,446,434,102.79
Net cash flows generated from/(used in) investing activities		676,294,036.65	(1,773,464,758.20)

**Audited Statement of Cash Flows of the Company (continued)**

For the year ended 31 December 2025

Unit: RMB

Items	Note XIV	2025	2024
III. Cash flows from financing activities:			
Cash received from issuance of bonds		5,500,000,000.00	8,500,000,000.00
Cash received from borrowings		46,054,691,908.19	48,043,912,798.50
Cash received from issuance of perpetual bonds		11,481,250,000.00	4,489,000,000.00
Subtotal of cash inflows from financing activities		63,035,941,908.19	61,032,912,798.50
Cash paid for repayment of debts		35,138,760,000.00	38,265,900,000.00
Cash paid for repayment of perpetual bonds		11,500,000,000.00	1,500,000,000.00
Cash paid for distribution of dividends or profits or for interest expenses		3,928,099,173.81	3,601,334,363.85
Cash paid for repayment of bonds		13,265,900,000.00	8,613,000,000.00
Cash paid for other financing activities		-	2,573,000.00
Subtotal of cash outflows from financing activities		63,832,759,173.81	51,982,807,363.85
Net cash flows generated from/(used in) financing activities		(796,817,265.62)	9,050,105,434.65
IV. Effect of changes in exchange rate on cash and cash equivalents		19,883.94	82,476.29
V. Net (decrease)/increase in cash and cash equivalents		(917,227,841.28)	858,331,614.86
Add: Balance of cash and cash equivalents at the beginning of the year		7,101,795,818.29	6,243,464,203.43
VI. Balance of cash and cash equivalents at the end of the year		6,184,567,977.01	7,101,795,818.29

The accompanying notes form an integral part of these financial statements

The financial statements have been signed by:

Officer-in-charge of the Company:  
**Jiang Yingwu**Chief accountant:  
**Zheng Baojin**Head of the accounting department:  
**Zhang Qichen**

# Notes to Financial Statements

For the year ended 31 December 2025

## I. BASIC INFORMATION OF THE COMPANY

### 1. Company profile

BBMG Corporation (hereinafter referred to as the “Company” or “BBMG”) is a joint stock company with limited liability incorporated in Beijing, the People’s Republic of China and was established on 22 December 2005. The Renminbi-denominated ordinary shares (A shares) and H shares of the Company are listed on the Shanghai Stock Exchange (“Shanghai Stock Exchange”) and The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”), respectively. The Company’s headquarters is located at No. 36, North Third Ring East Road, Dongcheng District, Beijing.

The principal business activities of the Company and its subsidiaries (collectively, the “Group”) include: manufacture and sale of cement and building materials, construction and decoration, trade and logistics, tourism services, real estate development, property investment and management.

The Company’s parent company and ultimate controlling party are Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司) (hereinafter referred to as “BSCOMC”) and the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality, respectively.

These financial statements were approved for disclosure by a resolution of the board of directors of the Company on 30 March 2026.

## II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

### 1. Basis of preparation

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People’s Republic of China and relevant regulations. In addition, relevant financial information is disclosed in the financial statements according to the Regulations on Information Disclosure and Compilation of Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reporting, and 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.

### 2. Going concern

The financial statements are prepared on a going concern basis.

## Notes to Financial Statements

For the year ended 31 December 2025

### III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

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

#### 1. 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 consolidated and the Company's financial position as at 31 December 2025 and the consolidated and the Company's 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.

#### 2. Accounting period

The accounting year for the Group is from 1 January to 31 December of each calendar year. The reporting period of these financial statements commences from 1 January and ends on 31 December 2025.

#### 3. Functional currency

The Company's reporting and presentation currency is Renminbi ("RMB"). Unless otherwise stated, the unit of the currency is RMB yuan.

The subsidiaries, joint ventures and associates of the Group may determine their own functional currencies based on the specific economic environments in their place of business. In the preparation of financial statements, their functional currencies shall be translated into RMB.

#### 4. Methods for determining materiality standards and selection criteria

Items	Materiality standard
Material account receivables which were subject to individual provision for bad debts	The amount of an individual provision accounts for more than 1% of the total provision for bad debt of various accounts receivable, and the amount exceeds RMB40 million
Material construction in progress	The budget for an individual project exceeds RMB100 million
Material joint ventures or associates	The carrying value of long-term equity investments in an individual investee entity accounts for more than 5% of the Group's net asset, and the amount exceeds RMB3 billion
Material subsidiaries	The net assets of subsidiaries account for more than 5% of the Group's net assets, or the net profit of subsidiaries accounts for more than 10% of the consolidated net profit of the Group
Material non-wholly owned subsidiaries	The net assets of subsidiaries account for more than 5% of the Group's net assets, or the minority equity of an individual subsidiary accounts for more than 1% of the Group's net assets, and the amount exceeds RMB4 billion

## Notes to Financial Statements

For the year ended 31 December 2025

### III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 5. Business combinations

Business combinations are classified into business combinations under common control and business combinations not under common control.

A business combination under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. Assets and liabilities (including the goodwill arising from acquisition of the party being acquired by the ultimate controlling party) that are obtained by the acquirer in a business combination under common control shall be subject to relevant accounting treatment on the basis of their carrying amounts in the financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) shall be adjusted against share premium under capital reserve. If the share premium is not sufficient to absorb the difference, retained earnings shall be adjusted.

A business combination not under common control is a business combination in which the combining entities are not ultimately controlled by the same party or parties both before and after the combination. The acquiree's identifiable assets, liabilities and contingent liabilities acquired in a business combination not under common control are measured at their fair values on the acquisition date. Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets acquired, the difference shall be recognised as goodwill, which is subsequently measured at cost less any accumulated impairment losses. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets acquired, reassessment of the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination is conducted. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets acquired, the difference is recognised in profit or loss for the current period.

#### 6. Consolidated financial statements

The consolidation scope of consolidated financial statements is determined on the basis of control, including the financial statements of the Company and all of its subsidiaries. An investor can control an investee only when it possesses the following three elements: the investor has power over the investee; has exposure, or rights, to variable returns from its involvement with the investee; has the ability to affect those returns through its power over the investee.

If a subsidiary adopts the accounting policies or accounting periods different from those adopted by the Company, an adjustment is made to the financial statements of the subsidiary according to the accounting policies or accounting periods adopted by the Company when the consolidated financial statements are prepared. All assets, liabilities, interests, income, fees and cash flows resulting from intra-group transactions are eliminated on consolidation in full.

Where the amount of losses for the current period attributed to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of shareholders' equity of the subsidiary, the excess amount is allocated against minority interests.

## Notes to Financial Statements

For the year ended 31 December 2025

### **III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**

#### **6. Consolidated financial statements (Continued)**

For subsidiaries acquired through a business combination not under common control, the operating results and cash flows of the acquiree are included in the consolidated financial statements from the date on which the Group obtains control and will continue to be consolidated until the date that such control ceases. In preparing consolidated financial statements, adjustments shall be made to the subsidiaries' financial statements based on the fair values of the identifiable assets, liabilities and contingent liabilities at the acquisition date.

For subsidiaries acquired through a business combination under common control, the operating results and cash flows of the acquiree are included in the consolidated financial statements from the beginning of the combination period. In preparing consolidated financial statements, adjustments shall be made to related items of prior year's financial statements, as if the reporting entities after the combination had existed from the date when the combining entities first came under control of the ultimate controlling party.

The Group reassesses whether or not it controls an investee if facts or circumstances indicate that there are changes to one or more elements of control.

A change in minority interests, without a loss of control, is accounted for as an equity transaction.

#### **7. Cash and cash equivalents**

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand for payment purposes. Cash equivalents are short-term, highly liquid investments held by the Group that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **8. Foreign currency transactions and translation of financial statements prepared in foreign currencies**

The Group translates the amounts of foreign currency transactions occurred into its functional currency.

Foreign currency transactions are recorded, on initial recognition, in their functional currencies by translating the foreign currency amounts at the spot exchange rates at the transaction dates. At the balance sheet date, foreign currency monetary items are translated using the spot exchange rates at the balance sheet date. All the resulting exchange differences are taken to profit or loss, except for those relating to foreign currency borrowings specifically for acquisition and construction of assets qualified for capitalisation, which are capitalised in accordance with the principle of capitalisation of borrowing costs. Non-monetary foreign currency items measured at historical cost shall still be translated at the exchange rates used at the initial recognition, while the amounts denominated in the functional currencies do not change. Non-monetary foreign currency items measured at fair value are translated at the spot exchange rates prevailing on the date on which the fair values are determined. The resulting exchange differences are recognised in profit or loss or as other comprehensive income for the current period, depending on the nature of the non-monetary item.

## Notes to Financial Statements

For the year ended 31 December 2025

### III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 8. Foreign currency transactions and translation of financial statements prepared in foreign currencies (Continued)

For foreign operations, the Group translates their functional currency amounts into Renminbi in preparing the financial statements as follows: asset and liability items in the balance sheet are translated using the spot exchange rates at the balance sheet date, and equity items other than “retained earnings” are translated using the spot exchange rates on the transaction dates; revenue and expense items in the income statement are translated using the weighted average exchange rate for the period during which the transactions occur (unless it is not appropriate to use such exchange rate to translate as a result of the exchange rate changes, such items will be translated using the spot exchange rate at the transaction date). The resulting exchange differences are recognised as other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is transferred to profit or loss in the period during which the disposal occurs. If the disposal only involves a portion of a particular foreign operation, the calculations will be made on a pro-rata basis.

Foreign currency cash flows and the cash flows of foreign subsidiaries are translated using the average exchange rate for the period during which the cash flows occur (Unless it is not appropriate to use such exchange rate to translate as a result of the exchange rate changes, such items will be translated at the spot exchange rate prevailing on the date when the cash flows incurred). The effect of exchange rate changes on cash is separately presented as an adjustment item in the statement of cash flows.

#### 9. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### (1) *Recognition and derecognition of financial instruments*

The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument.

The Group derecognises financial asset (or part of a financial asset, or part of a group of similar financial assets) when the following conditions are met, that is, the financial assets recognised previously are written off from a balance sheet:

- (1) the rights to receive cash flows from the asset have expired;
- (2) the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the underlying obligation of a financial liability has been discharged or cancelled or has expired, the financial liability is derecognised. If an existing financial liability is replaced by the same creditor with a new financial liability that has substantially different terms, or if the terms of an existing financial liability are substantially revised, such replacement or revision is accounted for as the derecognition of the original liability and the recognition of a new liability, and the resulting difference is recognised in profit or loss for the current period.

## Notes to Financial Statements

For the year ended 31 December 2025

### **III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**

#### **9. Financial instruments (Continued)**

##### *(1) Recognition and derecognition of financial instruments (Continued)*

Regular way purchases or sales of financial assets are recognised and derecognised on the trade date. Regular way purchases or sales of financial assets refers to purchasing or selling financial assets according to contract terms that require delivery of financial assets within the time frame established by regulation or convention in the marketplace. The trade date refers to the date on which the Group commits to buying or selling financial assets.

##### *(2) Classification and measurement of financial assets*

The financial assets of the Group are classified in the initial recognition based on the business model of the Group's financial asset management and the characteristics of the financial assets' contractual cash flows: financial assets carried at amortised cost, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss.

Financial assets are measured at fair value on initial recognition. However, if the accounts receivable or bills receivable arising from sales of goods or provision of services do not include significant financing components or does not consider financing components not exceeding one year, they shall be initially recognised at the transaction price.

In the case of financial assets at fair value through profit or loss, relevant transaction costs are directly charged to profit and loss for the current period; transaction costs relating to financial assets of other categories are included in the amounts initially recognised.

The subsequent measurement of financial assets depends on their classification as follows:

##### *Debt instrument investment measured at amortised cost*

Financial assets are classified as financial assets measured at amortised cost if the financial assets meet the following conditions: the objective of the Group's business model for managing the financial assets is to collect contractual cash flows; the contractual terms of the financial assets requires that the cash flows giving rise on specified dates represent payments of principal and interest on the principal amount outstanding. Interest income on such financial assets is recognised using the effective interest rate method. Gains or losses arising from their derecognition, modification, or impairment are recognised in the profit or loss for the current period.

##### *Debt instruments investment at fair value through other comprehensive income*

Financial assets are classified as financial assets at fair value through other comprehensive income if the financial assets meet the following conditions: the financial assets are held within a business model whose the objective is achieved by collect contractual cash flows and selling; the contractual terms of the financial assets requires that the cash flows giving rise on specified dates represent payments of principal and interest on the principal amount outstanding. For such financial assets, the effective interest method is used for recognizing interest income. Changes in fair value are included in other comprehensive income except for interest income, impairment loss, and exchange differences which are be recognised as profit or loss for the current period. On derecognition of financial assets, gains and losses accumulated in other comprehensive income are reclassified to profit or loss for the current period.

## Notes to Financial Statements

For the year ended 31 December 2025

### III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 9. Financial instruments (Continued)

##### (2) *Classification and measurement of financial assets (Continued)*

###### *Equity instruments investment at fair value through other comprehensive income*

The Group irrevocably elects to designate its certain equity instrument investments not held for trading as financial assets at fair value through other comprehensive income, and only recognise dividends (except for dividend income clearly recovered as part of the investment cost) in profit or loss for the current period. Subsequent changes in fair values are included in other comprehensive income, and no provision for impairment is required. On derecognition of financial assets, gains and losses previously accumulated in other comprehensive income are reclassified to retained earnings.

###### *Financial assets at fair value through profit or loss*

Except for the above-mentioned financial assets at amortised cost and financial assets at fair value through other comprehensive income, the Group has classified the remaining financial assets as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value, except for hedge accounting, where all changes in fair value are recognised in profit or loss for the current period.

##### (3) *Classification and measurement of financial liabilities*

The Group's financial liabilities are, on initial recognition, classified into financial liabilities at amortised costs. For financial liabilities at amortised costs, relevant transaction costs are included in the initial amounts recognized.

The subsequent measurement of financial liabilities depends on its classification as follows:

###### *Financial liabilities at amortised costs*

Such kinds of financial liabilities are subsequently measured at amortised cost by using the effective interest rate method.

##### (4) *Impairment of financial instruments*

###### *Determination and accounting treatment of expected credit losses*

On the basis of expected credit losses, the Group performs the impairment treatment on financial assets measured at amortised cost, debt instruments investments at fair value through other comprehensive income, lease receivables, contract assets, and financial guarantee contract and recognizes the loss provision.

For amount receivables and contract assets excluding the major financing portion, the Group uses a simplified measurement method to measure loss provision based on the amount of expected credit losses equivalent to the entire duration of the life.

For lease receivables, amount receivables and contractual assets including the major financing portion, the Group uses a simplified measurement method to measure loss provision based on the amount of expected credit losses equivalent to the entire duration of the life.

## Notes to Financial Statements

For the year ended 31 December 2025

### **III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**

#### **9. Financial instruments (Continued)**

##### **(4) Impairment of financial instruments (Continued)**

###### *Determination and accounting treatment of expected credit losses (Continued)*

In addition to the financial assets mentioned above that use the simplified measurement method, the Group assesses whether its credit risk has increased significantly since the initial recognition on each balance sheet date. If the credit risk has not increased significantly since the initial recognition, it is at the first stage, and the Group measures the loss provision based on the amount of expected credit loss equivalent to the next 12 months and calculates interest income based on book balance and effective interest rate; if the credit risk has increased significantly since the initial recognition but credit loss has not occurred, it is at the second stage, and the Group measures loss provision based on the amount of expected credit losses equivalent to the entire duration of the life and calculates interest income based on book balance and effective interest rate; if credit loss has occurred since initial recognition, it is at the third stage, and the Group measures loss provision based on the amount of expected credit losses equivalent to the entire duration of the life and calculates interest income based on amortized cost and effective interest rate. For financial instruments that only have low credit risk at the balance sheet date, the Group assumes that their credit risks have not increased significantly since initial recognition. The Group assesses expected credit loss of financial instruments individually and in group. After considering the credit risk characteristics of difference customers, the Group assesses the expected credit loss of financial assets measured at amortized cost based on common risk characteristics and age combinations. The Group calculates the overdue aging based on the contractual payment date. In addition to the aforementioned group evaluation of expected credit losses on financial instruments, the Group individually assesses its expected credit losses.

Please refer to Note VIII. 1 for the Group's criteria for determining significant increase in credit risk, definition of financial assets that have been credit-impaired, etc.

The Group's method for measuring expected credit loss on finance instruments reflects the following factors: unbiased probability weighted average determined by evaluating a series of possible results, time value of money and reasonable and reliable information on past events, current situation and future economic forecast that are available on the balance sheet date without unnecessary extra costs or efforts.

###### *Classification of and bases for determining provision for impairment according to credit risk characteristic groups*

The Group considers the credit risk characteristics of different customers and estimates the expected credit loss of financial instruments by aging group based on common risk characteristics.

###### *Calculation of aging for the purpose of recognizing credit risk characteristic groups based on aging*

The Group determines the aging of an overdue amount according to the date of payment agreed in the contract.

## Notes to Financial Statements

For the year ended 31 December 2025

### III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 9. Financial instruments (Continued)

##### (4) *Impairment of financial instruments (Continued)*

*Criteria for making individual provision for the purpose of individual impairment provision for bad debts*

If the credit risk characteristics of a counterparty are significantly different from other counterparties in the group, loss provision in respect of the amount receivable from such counterparty shall be individually made.

*Write-off of provision for impairment*

When the Group no longer reasonably expects to be able to fully or partially recover the contractual cash flows of financial assets, the Group directly writes down the carrying amount of the financial assets.

##### (5) *Offset of financial instruments*

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet to the extent that there is a currently enforceable legal right to offset the recognised amounts and that there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

##### (6) *Derivative financial instruments*

The Group uses derivative financial instruments, such as commodity forward contracts, to hedge exchange rate risk, commodity price risk and interest rate risk, respectively. Derivative financial instruments are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently measured at their fair values. Derivative financial instruments with a positive fair value are recognised as an asset, and that with a negative fair value is recognised as a liability.

Other than hedge accounting, gains or losses arising from changes in the fair value of derivatives are directly recognised in profit or loss for the current period.

##### (7) *Convertible bonds*

Upon issuance, the Group determines in accordance with the terms of the convertible bonds whether such bonds consist of both equity and liability components. For convertible bonds that carry both equity and liability components, liability and equity are separately dealt with upon initial recognition. During the segregation, the fair value of the liability is first determined and adopted as the initial recognition. Then the initial recognition of the equity component is determined by deducting the initial liability recognition from the overall issue price of the convertible bonds. Transaction costs are apportioned between liability and equity according to their respective fair values. The liability component is presented as liability and subsequently measured on an amortised cost basis, until it is cancelled, converted or redeemed. The equity component is presented as equity and no subsequent measurement is applicable. The issuance of convertible bonds contain both a liability component and an embedded derivative, that is the conversion option of convertible bonds exhibits characteristics of an embedded derivative, it is separated from the convertible bonds and accounted for as a derivative financial instrument. It should be initially measured at fair value. Any excess of proceeds over the amount initially recognized as derivative component is recognised as the liability instrument. Transaction costs are apportioned between the liability and derivative components of the convertible bonds based on the allocation of proceeds to the liability and derivative components when the instruments are initially recognised. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in the profit or loss.

## Notes to Financial Statements

For the year ended 31 December 2025

### **III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**

#### **9. Financial instruments (Continued)**

##### **(8) Transfers of financial assets**

If the Group transfers substantially all the risks and rewards of ownership of the financial asset, the Group derecognises the financial asset; if the Group retains substantially all the risks and rewards of ownership of the financial asset, the Group does not derecognise the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it accounts for the transactions as follows: if the Group has not retained control, it derecognises the financial asset and recognises any resulting assets or liabilities; if the Group has retained control, it continues to recognise the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability.

Continuing involvement that takes the form of a financial guarantee over the transferred financial asset is recognised at the lower of the carrying amount of the financial asset and the amount of financial guarantee. The amount of financial guarantee refers to the maximum amount of consideration that the Group could be required to repay.

#### **10. Inventories**

Inventories include raw materials, work in progress, finished goods, turnover materials, development costs, developed products, and contract performance costs.

Inventories are initially carried at cost. Except for properties under development and completed properties held for sale, cost of inventories comprises all costs of purchase, costs of conversion and other costs. The cost of inventories also includes gains or losses arising from purchase meeting the criteria of cash flow hedging transferred from other comprehensive income. The actual cost of inventories transferred out is determined by using the weighted average method. Turnover materials include low value consumables and packing materials. Low value consumables and packing materials are amortised by using the immediate write-off method.

Costs of properties under development and completed properties held for sale consist of land acquisition cost, construction cost, interests capitalised and other direct and indirect development expenses. Cost of properties under development is transferred to cost of completed properties held for sale upon completion of development. Within the construction cost, public ancillary facilities represent government- approved public ancillary projects, i.e. roads. The relevant costs are recognised under the properties under development, and are accounted for and allotted by cost object and cost item. Land use rights for development purpose are classified as part of properties under development.

The Group adopts a perpetual inventory system.

At the balance sheet date, inventories are stated at the lower of cost and net realisable value. If the cost of inventories is higher than the net realisable value, a provision for decline in value of inventories is recognised in profit or loss for the current period.

## Notes to Financial Statements

For the year ended 31 December 2025

### III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 10. Inventories (Continued)

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to completion and the estimated expenses and the related taxes necessary to make the sale. The provision for decline in value is made on an individual basis, provided that for inventories with large quantity and lower unit cost, the provision for decline in value is made on a category basis. For inventories related to a series of products manufactured and sold in the same area, and of which the final use or purpose is identical or similar, and if it is difficult to measure them by separating them from other items, the provision for decline in value of inventories are made on a combination basis.

Contract performance costs classified as current assets are shown under inventories.

#### 11. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates.

A long-term equity investment is initially measured at its initial investment cost on acquisition. For a business combination involving entities under common control, the initial investment cost of the long-term equity investment is the carrying amount of the absorbing party's share of the owner's equity of the party being absorbed on the consolidated financial statements of the ultimate controller. The difference between the initial investment cost and the carrying amount of the consideration paid for the combination shall be adjusted against capital reserve (where the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings). The initial investment cost of the long-term equity investment is the cost of acquisition for a business combination not under common control (for a business combination not under common control achieved in stages, the initial investment cost is measured at the carrying amount of the equity investments in the acquiree before the acquisition date plus the additional investment cost incurred on the acquisition date). For a long-term equity investment acquired other than through a business combination, the initial investment cost is determined as follows: if acquired by paying cash, the initial investment cost is the actual purchase price paid and those costs, taxes and other necessary expenditures directly attributable to the acquisition of the long-term equity investment; if acquired by the issue of equity securities, the initial investment cost is the fair value of the securities issued.

For a long-term equity investment where the Company can exercise control over the investee, the long-term equity investment is accounted for using the cost method in the Company's separate financial statements. Control refers to having the power over the investee, the entitlement to variable returns through the participation in the relevant activities of the investee, and the ability to affect the amount of returns by using its power over the investee.

Under the cost method, the long-term equity investment is measured at its initial investment cost. If investment is increased or withdrawn, the cost of long-term equity investment shall be adjusted. Cash dividends or profit distributions declared by the investee are recognised as investment income for the current period.

The equity method is adopted when the Group holds joint control, or exercises significant influence on the investee. Joint control is the relevant agreed sharing of control over an arrangement, and relevant activities of such arrangement shall be decided upon the unanimous consent of the parties sharing control. Significant influence is the power to participate in decision making of the financial and operating policies of the investee, but without the power to control or jointly control with other parties the formulation of those policies.

## Notes to Financial Statements

For the year ended 31 December 2025

### **III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**

#### **11. Long-term equity investments (Continued)**

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the investing enterprise's interest in the fair values of the investee's identifiable net assets at the acquisition date, long-term equity investment is measured at the initial investment cost. Where the initial investment cost is less than the investing enterprise's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is charged to profit or loss for the current period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognises, upon acquisition of the long-term equity investment, its share of the net profits or losses and other comprehensive income made by the investee as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. The Group recognises its share of the investee's net profits or losses after making appropriate adjustments to the investee's net profits or losses, except for those from dispensing or selling businesses constituted by assets, based on the fair value of the investee's identifiable assets at the acquisition date, using the Group's accounting policies and periods, and eliminating the portion of the profits or losses arising from internal transactions with its associates and joint ventures, attributable to the investing party according to its entitled ratio (but impairment losses for assets arising from internal transactions shall be recognised in full). The carrying amount of the investment is reduced based on the Group's share of any profit distributions or cash dividends declared by the investee. The Group's share of net losses of the investee is recognised to the extent the carrying amount of the investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero, except that the Group has incurred obligations to assume additional losses. The Group adjusts the carrying amount of the long-term equity investment for any changes in shareholders' equity of the investee (other than net profit or loss, other comprehensive income and profit distributions) and includes the corresponding adjustments in the shareholders' equity.

#### **12. Investment properties**

Investment properties are held to earn rentals or for capital appreciation or both.

An investment property is measured initially at cost. Subsequent costs incurred for an investment property are included in its cost only when the economic benefits associated with the asset will probably flow in and the cost can be measured reliably. Otherwise, subsequent costs are recognised in profit or loss for the period during which they are incurred.

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 urban core districts of Beijing, Tianjin, Shanghai, Hefei and Chengdu 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.

## Notes to Financial Statements

For the year ended 31 December 2025

### III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 12. Investment properties (Continued)

- (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 method and market method. 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.

#### 13. Fixed assets

A fixed asset is recognised only when the economic benefits associated with the asset will probably flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for a fixed asset that meet the recognition criteria shall be included in its cost, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditures shall be recognised in profit or loss for the period or the related asset costs in accordance with beneficiary when incurred.

Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the assets is considered. The cost of a purchased fixed asset comprises the purchase price, relevant taxes and any directly attributable costs for bringing the asset to working condition for its intended use.

Except for those fixed assets formed by using production safety fees accrued, depreciation of fixed assets is calculated using the straight-line method. The useful lives, estimated net residual values and annual depreciation rates of fixed assets are as follows:

	Useful life	Estimated net residual value %	Annual depreciation rate %
Buildings	20-40 years	3.00-5.00	2.38-4.85
Machinery and equipment	5-20 years	3.00-5.00	4.75-19.40
Transportation equipment	5-10 years	3.00-5.00	9.50-19.40
Office and other equipment	5-6 years	3.00-5.00	15.83-19.40

## Notes to Financial Statements

For the year ended 31 December 2025

### III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 13. Fixed assets (Continued)

Different depreciation rates are applied where the components of fixed assets have different useful lives or provide the entity with economic benefits in different patterns.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at the end of each financial year, and makes adjustments if necessary.

The Group adjusted the depreciable life of certain machinery and equipment from 15 years to 5-20 years since 1 January 2025. For details of the effect of the change in the accounting estimates, please refer to Note III. 34.

#### 14. Construction in progress

The cost of construction in progress is determined according to the actual costs incurred for the construction, including all necessary construction costs incurred during the construction period, borrowing costs that shall be capitalised before the construction gets ready for its intended use and other relevant expenses.

Construction in progress is transferred to fixed assets when the asset is ready for its intended use, the specific standard is as follows:

	Standard of transfer to fixed assets
Buildings	Completion of acceptance
Machinery and equipment	Completion of installation, commissioning, and acceptance
Transportation equipment	Completion of acceptance
Office and other equipment	Completion of acceptance

#### 15. Borrowing costs

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. The amounts of other borrowing costs incurred are recognised in profit or loss for the period in which they are incurred.

Capitalisation of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities relating to the acquisition, construction or production of the asset that are necessary to bring the asset to get ready for its intended use or sale have commenced.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Any borrowing costs subsequently incurred are recognised in profit or loss for the period during which they are incurred.

## Notes to Financial Statements

For the year ended 31 December 2025

### III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 15. Borrowing costs (Continued)

During the capitalisation period, the amount of interest to be capitalised for each accounting period shall be determined as follows: where funds are borrowed for a specific purpose, the amount of interest to be capitalised is the actual interest expense incurred on that borrowing for the period less any temporary bank interest earned from depositing the borrowed funds or any investment income; where funds are borrowed for a general purpose, the amount of interest to be capitalised on such borrowings is determined by multiplying a weighted average interest rate of the funds borrowed for a general purpose by the weighted average of the excess amounts of accumulated expenditure on the asset over and above the amounts of specific-purpose borrowings.

Capitalisation of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted by activities other than those necessary to prepare the asset for its intended use or sale, when the interruption is for a continuous period of more than three months. Borrowing costs incurred during these periods are recognised in profit or loss for the period during which they are incurred until the acquisition, construction or production is resumed.

#### 16. Intangible assets

##### (1) Useful lives of intangible assets

The intangible assets of the Group consist of land use rights, mining rights, trademarks, software use rights, data resources, etc.

Intangible assets with indefinite use life (mainly trademarks) shall not be amortised and shall be tested for impairment at least every year, irrespective of whether there is any indication that the asset may be impaired; the useful life is reassessed in each accounting period. If there is evidence indicating that the useful life of that intangible asset becomes finite, it shall be accounted for by applying the accounting policy for intangible assets with a finite useful life. The remaining intangible assets are amortized using the straight-line method or at volume of mining over their useful lives, which are as follows:

	Useful life	Determination basis
Land use rights	20-50 years	Term of land use rights
Software use rights	3-10 years	Validity period of registration
Mining rights	Amortized at volume of mining	Permitted mining volume in mining rights certificate
Data resources	5 years	Expected benefit period

## Notes to Financial Statements

For the year ended 31 December 2025

### **III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**

#### **16. Intangible assets (Continued)**

##### **(2) R&D expenditure**

The Group classifies expenditure for an internal research and development project into expenditure in the research phase and expenditure in the development phase. Expenditure in the research phase is recognised in profit or loss for the period in which it is incurred. Expenditure in the development phase is capitalised when the Group can demonstrate all of the following: the technical feasibility of completing the intangible asset so that it will be available for use or sale; the intention to complete the intangible asset and use or sell it; how the intangible asset will generate probable future economic benefits, for which, among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and the expenditure attributable to the intangible asset during its development can be measured reliably. Expenditure in the development phase that does not meet the above criteria is recognised in profit or loss for the period in which it is incurred.

#### **17. Impairment of asset**

Impairment of assets other than inventories, contract assets and assets relating to contract assets, investment properties measured under the fair value model, deferred income tax, and financial assets are determined by the following methods:

The Group assesses at the balance sheet date whether there is any indication that an asset may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset and performs test for impairment. Goodwill arising from a business combination and intangible assets with indefinite useful life are tested for impairment at least once at the end of each year, irrespective of whether there is any indication that the asset may be impaired.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flows estimated to be derived from the asset. The Group estimates the recoverable amount on an individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group to which the asset belongs. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or an asset group is less than its carrying amount, the carrying amount is reduced to the recoverable amount. The reduction in carrying amount is treated as impairment loss and recognised in profit or loss for the current period. A provision for impairment loss of the asset is recognised accordingly.

For the purpose of goodwill impairment testing, the carrying amount of goodwill is allocated from the acquisition date on a reasonable basis to each of the related asset groups or set of asset groups. Each of the related asset group or set of asset groups is an asset group or set of asset groups that is able to benefit from the synergy of the business combination and shall not be larger than an operating segment determined by the Group.

## Notes to Financial Statements

For the year ended 31 December 2025

### III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 17. Impairment of asset (Continued)

The carrying amount of an asset group or a set of asset groups including goodwill shall be compared to its recoverable amount, if the recoverable amount of the asset group or set of asset groups is lower than its carrying amount, the amount of the impairment loss is first reduced by the carrying amount of the goodwill allocated to the asset group or set of asset groups, and then by the carrying amount of other assets (other than the goodwill) within the asset group or set of asset groups, pro rata based on the carrying amount of each asset.

Once the above asset impairment loss is recognised, it cannot be reversed in subsequent accounting periods.

#### 18. Long-term deferred expenditures

Long-term deferred expenditures represent expenditures incurred but should be recognised as expenses over more than one year in the current year and subsequent periods, including costs of leasehold improvements, renovation expenses and stripping cost of mines. Long-term deferred expenditures are amortized evenly over the benefit period.

#### 19. Employee benefits

Employee benefits are all forms of considerations or compensations given by the Group in exchange for services rendered by employees or for the termination of employment. Employee benefits include short-term benefits, post-employment benefits, termination benefits and other long-term employee benefits.

##### (1) Short-term benefits

In the accounting period in which services are rendered by employees, the actual amount of short-term benefits incurred is recognised as liabilities and charged to profit or loss for the current period or cost of underlying assets.

##### (2) Post-employment benefits (the defined contribution plan)

The employees of the Group participate in the pension insurance and unemployment insurance scheme administered by the local government and also enterprise annuity, and the corresponding expenses are included in the costs of underlying assets when incurred or recognised in profit or loss for the current period.

The Group contributes on a monthly basis to these schemes or annuity based on certain percentages of the salaries of the employees. The Group's employer contributions vest fully with the employees when contributed into the scheme or annuity and there are no forfeited contributions that may be used by the Group.

## Notes to Financial Statements

For the year ended 31 December 2025

### **III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**

#### **19. Employee benefits (Continued)**

##### **(3) Post-employment benefits (the defined benefit plan)**

The Group operates various defined benefit pension plans, which includes providing certain eligible retirees of the Company and its subsidiaries with supplementary allowance benefits. No capital has been injected into the plan. The benefits cost under the defined benefit plan is calculated using the projected accumulative benefit unit method.

The items to be remeasured as a result of the defined benefit pension plan, which include actuarial gains or losses, movements arising from assets cap (net of amounts included in net interest of liabilities in the defined benefit plan) and return on plan assets (net of amounts included in net interest of liabilities in the defined benefit plan), are all immediately recognised in the balance sheet, and are included in shareholders' equity through other comprehensive income during the period in which they are incurred. They will not be reversed to profit or loss in subsequent periods.

The past service costs are recognised as expenses for the current period when the defined benefit plan is modified or when the Group recognises relevant restructuring costs or termination benefits, whichever occurs earlier.

Net interest is calculated by multiplying net liabilities or net assets of the defined benefit plan by the discount rate. The Group recognises changes in net liabilities of the defined benefit plan under administrative expense and finance expenses in the income statement. Service cost includes current service cost, past service cost and gains or losses on settlement; net interest includes interest income on plan assets, interest expenses on plan obligations and interest arising from assets cap.

##### **(4) Termination benefits**

Where the Group provides termination benefits to employees, the employee benefits liabilities arising from termination benefits are recognised and accounted for in profit or loss for the current period at the earlier of the following dates: when the Group cannot unilaterally withdraw the offer of these termination benefits as a result of termination of employment plan or downsizing proposal, and when the Group recognises restructuring costs involving the payment of termination benefits.

#### **20. Estimated liabilities**

Except for contingent consideration and contingent liability assumed in a business combination not under common control, if an obligation related to a contingency is a present obligation of the Group; it is probable that an outflow of economic benefits from the Group will be required to settle the obligation and the amount of the obligation can be measured reliably, the Group recognizes it as an estimated liability.

Estimated liabilities are initially measured at the best estimate of the expenditure required to settle the related present obligation, with comprehensive consideration of factors such as the risks, uncertainty and time value of money relating to a contingency. The carrying amount of estimated liabilities is reviewed at each balance sheet date and is adjusted appropriately to reflect the current best estimate.

## Notes to Financial Statements

For the year ended 31 December 2025

### III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 21. Share-based payments

Share-based payments are categorised into equity-settled share-based payments and cash-settled share-based payments. The employee equity incentive scheme implemented by the Group is accounted for as the equity-settled share-based payment.

The equity-settled share-based payments for exchange of the services rendered by employees are measured at the fair value of the equity instrument granted to employees on the grant date. The amount of the fair value in the vesting period is determined based on the best estimate of the quantity of exercisable equity instruments, and included in related costs or expenses using straight-line method/When the grant is vested immediately, the amount of the fair value is included in the related costs or expenses on the grant date, with capital reserve increased accordingly.

At each balance sheet date within the vesting period, the Group revises the quantity of expected exercisable equity instruments on the basis of best estimate made based on the latest subsequent information such as the latest update on the change in the number of employees with vesting rights. The effect of the above estimate is included in related costs or expenses for the period, with a corresponding adjustment to capital reserve.

#### 22. Other equity instruments

Perpetual bonds issued by the Group are classified as equity instrument if there is no expiration date or if the Group has the right to extend for unlimited number of times, to defer the payment of the coupon interest on the perpetual bonds, or has no contractual obligation to pay cash or other financial assets after the expiration thereof.

For financial instruments classified as equity instruments (such as perpetual bonds), its issue, repurchase, sale or cancellation are treated by the Group as changes in equity, with related transaction costs deducted from equity. The Group's distribution to holders of equity instruments is treated as a distribution of profits.

#### 23. Revenue from contracts with customers

When the Group has fulfilled its performance obligations of the contract, the revenue is recognized when the customers take control of the relevant goods or services. Taking control of the relevant goods or services means being able to dominate the use of the goods or the provision of the services and obtain almost all of the economic benefits from them.

##### (1) *Sales contracts of goods*

Sales contracts between the Group and its customers usually contain only the performance obligation to transfer goods, with specific commitments varying depending on agreements with customers. Since customers can benefit separately from the above goods or services or together with other readily available resources, and there are no significant integration, significant modifications, customization, or high correlation between the above goods or services, the Group treats them as distinct goods, each constituting a separate performance obligation.

## Notes to Financial Statements

For the year ended 31 December 2025

### **III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**

#### **23. Revenue from contracts with customers (Continued)**

##### *(1) Sales contracts of goods (Continued)*

For the existence of significant financing components in the contract, the Group determines the transaction price based on the amount payable immediately by cash upon the receipt of control of goods by the customer, and uses the discount rate which discounts the nominal amount of the contract consideration to the discounted price of the goods to amortise the difference between the determined transaction price and the consideration amount of the contract commitment using the effective interest method during the contract period. Where it is expected that the intervals between the customer's control over the goods and the payment by the customer will not exceed one year, the Group does not consider the significant financing components in the contract.

The Group fulfills its performance obligations by delivering goods such as cement and clinker, concrete, furniture, refractory materials, etc., to customers. Based on a comprehensive consideration of the following factors: receipt of the current payment rights of goods, transfer of major risks and rewards in relation to the ownership of goods, transfer of the legal ownership of goods, transfer of physical assets of goods and receipt of such goods by the customers, the Group recognises revenue when control of goods has been transferred to the buyer.

Revenue from the sales of completed properties is recognised when all the risks and rewards of property ownership have been transferred to the buyer, i.e., when the properties has been completed and delivered to the buyer pursuant to the sale agreement for commodity housing and the collection of the consideration determined under the purchase and sales contract can be assured reasonably. According to the pre-sale contract, the instalments of sold properties and proceeds from pre-sale collected prior to the revenue recognition will be presented in the contractual liabilities under the balance sheet.

The Group provides quality assurance for the goods sold or the assets constructed pursuant to contractual agreement and laws and regulations. The Group performs accounting treatments in accordance with Note III. 20 with a view to providing guarantee to the customers that the goods sold meet the established quality standards. In addition to providing guarantee to the customers that the goods sold meet the established quality standards, providing the customers with a separate quality assurance for goods sold beyond the statutory warranty period or scope is regarded as a separate performance obligation by the Group. Based on the relative proportion of the individual selling prices of providing quality assurance for goods and services, part of the transaction price is allocated to quality assurance of services and revenue is recognized when the customers take control of the services.

The Group determines whether its status is a main principal or agent at the time of engaging in a transaction based on whether it has control over the goods or services prior to transferring them to the customer, including but not limited to considering the legal form of contracts and the relevant facts and circumstances (the primary responsibility for the transfer of goods to customers, the inventory risk assumed before or after the transfer of goods, whether it has the right to independently determine the price of goods to be traded, etc.). If the Group is able to control the goods or services before transferring them to the customer, the Group is the main principal and recognises revenue based on the total consideration received or receivable; otherwise, the Group is the agent and recognises revenue based on the amount of commissions or fees to which it expects to be entitled. The amount is determined based on the net amount of the total consideration received or receivable after deducting the amount payable to other related parties.

## Notes to Financial Statements

For the year ended 31 December 2025

### III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 23. Revenue from contracts with customers (Continued)

##### (2) *Contracts for provision of services*

The Group determines the transaction price as the amount of consideration expected to be received from customers in exchange for transferring services, based on contract terms and past business practices. The consideration payable by the Group to customers is not for obtaining other distinct goods or services from customers. Therefore, the consideration payable to a customer shall be deducted against the transaction price and against current revenue upon the recognition of revenue or the payment of (or the commitment to pay) the consideration to the customer (whichever is later).

The Group fulfills its performance obligations by providing customers with services such as solid waste treatment, decoration and renovation, property management, and hotel operation. As the customers will receive and consume economic benefits arising from the fulfillment of performance obligations as stipulated in the contracts by the Group. The Group considers such revenue as performance obligations fulfilled during a specific period and recognises the revenue based on the progress of performance, unless the progress of performance cannot be reasonably determined. The Group determined the progress of performance in relation to the provision of services using input method or output method. Where progress of performance cannot be reasonably determined, the Group determined its revenue based on the incurred amount of costs to the extent that they are expected to be compensated, until the progress of performance is able to be determined reasonably.

##### *Construction Contracts*

The Group's construction contracts with customers typically involve commitments to various goods and services such as construction design, equipment procurement, and construction installation. Since the Group needs to integrate the above goods or services into a combined output as agreed in the contract and transfer it to customers, the Group treats it as a single performance obligation.

The Group provides quality assurance for the assets constructed pursuant to contractual agreement and laws and regulations. The Group performs accounting treatments in accordance with Note III. 20 with a view to providing guarantee to the customers that the assets constructed meet the established quality standards. In addition to providing guarantee to the customers that the assets constructed meet the established quality standards, providing the customers with a separate quality assurance for the assets constructed is regarded as a separate performance obligation by the Group. In assessing whether quality assurance is provided as a separate service other than providing guarantee to the customers that the assets constructed meet the established quality standards, the Group considers factors such as whether the quality assurance is a statutory requirement, the term of quality assurance and nature of the Group's commitment to perform its obligations. Based on the relative proportion of the individual selling prices of providing quality assurance for goods and services, part of the transaction price is allocated to quality assurance of services and revenue is recognized when the customers take control of the services.

## Notes to Financial Statements

For the year ended 31 December 2025

### **III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**

#### **23. Revenue from contracts with customers (Continued)**

##### *(2) Contracts for provision of services (Continued)*

###### *Construction Contracts (Continued)*

The Group determines the transaction price as the consideration expected to be received from customers in exchange for transferring goods, based on contract terms and past business practices. For certain business contracts between the Group and its customers, the amount of settlement is calculated in the manner as agreed in the contract upon completion of the projects, which results in a variable consideration. The Group determines the best estimate amount of the variable consideration based on the expected value or the most likely amount, but the transaction price including the variable consideration does not exceed the amount that the accumulated and recognized revenue is likely not to be significantly reversed when the relevant uncertainty is eliminated. The amount is re-measured at each balance sheet date.

The Group fulfills its performance obligations by providing customers with civil construction, installation, and maintenance services. As the customers are able to control the assets under construction during the performance process of the Group, the Group considers such revenue as performance obligations fulfilled during a specific period and recognises the revenue based on the progress of performance, unless the progress of performance cannot be reasonably determined. The Group determined the progress of performance in relation to the provision of services using input method. Where progress of performance cannot be reasonably determined, the Group determined its revenue based on the incurred amount of costs to the extent that they are expected to be compensated, until the progress of performance is able to be determined reasonably.

#### **24. Contract assets and contract liabilities**

The Group presented contract assets or contract liabilities on the balance sheet based on the correlation between the performance of obligations and customer payments. The Group offsets contract assets against contract liabilities under the same contract and presents the net amount.

##### *(1) Contract assets*

The right to consideration in exchange for goods or services that the Group has transferred to customers when that right is conditioned on something other than the passage of time is recognised as contract assets before the actual payment of the contract consideration by customers or such consideration or such consideration becomes due and payable. After such right to receive consideration subsequently becomes unconditional, it shall be transferred to receivables.

Details of the Group's determination method and accounting treatment for expected credit losses of contract assets are set forth in Note III. 9.

##### *(2) Contract liabilities*

The obligation to transfer goods or services to customers for consideration received or the unconditional right to receive consideration is recognised as contract liabilities before the goods or services are transfer to the customers.

## Notes to Financial Statements

For the year ended 31 December 2025

### III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 25. Assets related to contractual cost

The Group's assets related to contractual costs include costs incurred to secure a contract and costs incurred in performing a contract, which are presented in inventory, other current assets and other non-current assets, respectively, based on their liquidity.

The Group recognises as the additional costs incurred to secure a contract as an asset if it expects to recover the costs, unless the amortization period of the asset is less than one year.

If the costs incurred in performing a contract are not within the scope of inventories, fixed assets, intangible assets or other relevant standards, the Group recognises the costs incurred in performing a contract as an asset if those costs meet all of the following criteria:

- (1) the costs relate directly to an existing contract or to an anticipated contract, including direct labour, direct materials, production overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only by the reason of the contract;
- (2) costs generate resources of the corporate that will be used in satisfying performance obligations in the future;
- (3) the costs are expected to be recovered.

Assets related to contract costs are amortised on a basis that is consistent with the recognition of the revenue to which the assets relate and recognised in profit or loss for the current period.

The Group makes impairment provisions and recognises an impairment loss on asset to the extent that the carrying amount of an asset related to contract costs exceeds:

- (1) the remaining amount of consideration that the corporation expects to receive in exchange for the goods or services to which the assets relate; less
- (2) the estimated costs to be incurred for the exchange of the related goods or services.

#### 26. Government grants

Government grants are recognised when all attaching conditions can be complied with and the grant can be received. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value; if fair value cannot be reliably determined, it is measured at a nominal amount.

Government grants shall be recognised as government grants related to assets where long-term assets are built or otherwise developed in accordance with the requirements of government documents. If there are no specific requirements of government documents, judgment shall be exercised based on the basic conditions required for the grants. Government grants shall be recognised as government grants related to assets where the building or otherwise development of long-term assets is considered as the basic condition; otherwise, they shall be recognised as government grants related to income.

## Notes to Financial Statements

For the year ended 31 December 2025

### **III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**

#### **26. Government grants (Continued)**

A government grant related to income is accounted for as follows: if the grant is a compensation for related cost expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and recognised in profit or loss or offset against relevant costs over the periods in which the related costs expenses for losses are recognised; and if the grant is a compensation for related cost expenses or losses already incurred, it is immediately recognized in profit or loss or offset against relevant cost for the current period.

A government grant related to an asset shall be recognised as deferred income, and recognised in profit or loss in instalments over the useful life of the related asset in a reasonable and systematic way, provided that a government grant measured at a nominal amount is recognised immediately in profit or loss for the current period. If the related assets are disposed of, transferred, scrapped and damaged before the end of the useful life, the relevant remaining deferred income unallocated shall be transferred to the profit or loss for the period when the assets are disposed of.

#### **27. Deferred income tax**

For the differences between the carrying amount of certain assets and liabilities and their tax bases, and temporary differences between the carrying amounts and tax bases in respect of items that are not recognized as assets and liabilities but whose tax bases may be determined under tax law, deferred income tax assets and deferred income tax liabilities are recognised under the balance sheet liability method.

Deferred income tax is generally recognised for all temporary differences. However, for the deductible temporary differences, the Group recognises the relevant deferred tax assets to the extent that it is likely to obtain the taxable income to offset the deductible temporary differences. In addition, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable income (or deductible losses) and does not give rise to equal taxable temporary differences and deductible temporary differences at the time of transaction, no deferred income tax asset or liability is recognised.

For deductible losses and tax credits that can be carried forward, deferred income tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible losses and tax credits can be utilised.

The Group recognises deferred income tax liabilities for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future. In respect of the deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, only if it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the deductible temporary differences can be utilised in the future, the Company recognises the deferred income tax assets.

## Notes to Financial Statements

For the year ended 31 December 2025

### III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 27. Deferred income tax (Continued)

At the balance sheet date, the Group measured the deferred income tax assets and liabilities at the tax rates that are estimated to apply to the period when the asset is recovered or the liability is settled according to the requirements of tax laws. The measurement of deferred income tax assets and deferred income tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover the assets or settle the liabilities.

The carrying amount of deferred income tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred income tax assets to be utilised. Unrecognised deferred income tax assets are reassessed at the balance sheet date and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be recovered.

When the following conditions are satisfied, deferred income tax assets and deferred income tax liabilities are shown as net amounts after set-off: there is a legally enforceable right to settle current income tax assets and current income tax liabilities on a net basis; deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, but the involved taxable entities intended to settle the current income tax assets and current income tax liabilities on a net basis or to simultaneously acquire assets and repay debts during each future period in which significant amounts of deferred income tax assets and deferred income tax liabilities are expected to be reversed.

#### 28. Leases

On the contract start date, the Group assesses whether the contract is a lease or contains a lease. If one of the parties to the contract transfers the right to control the use of one or more identified assets for a certain period of time in exchange for consideration, the contract is a lease or contains a lease.

##### (1) *As a lessee*

Except for short-term leases and low-value asset leases, the Group recognises the right-of-use assets and lease liabilities for the lease.

On the commencement date of the lease term, the Group recognises its right to use the lease assets over the lease term as the right-of-use asset, which is initially carried at cost. The cost of the right-of-use asset includes: the initial measurement amount of the lease liability; the amount of the lease payment on or before the commencement date of the lease term, deducting the relevant amount of the lease incentives already enjoyed; the initial direct expenses incurred by the lessee; and the cost expected to be incurred by lessee for dismantling and removing the lease assets, restoring the site where the lease assets are located or restoring the lease assets to the state agreed upon under the lease terms. When the Group re-measures the lease liabilities due to the change in lease payment amount, it shall adjust the carrying amounts of the right-of-use assets accordingly. The Group subsequently depreciated the right-of-use assets using the straight-line method. If it is reasonable to determine that the ownership of the lease assets can be obtained at the expiration of the lease term, the Group will provide for depreciation during the remaining useful life of the lease assets. If it is not reasonable to determine that the ownership of the lease assets can be obtained at the expiration of the lease term, the Group will provide for depreciation during the shorter of the lease term and the remaining useful life of the lease assets.

## Notes to Financial Statements

For the year ended 31 December 2025

### **III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**

#### **28. Leases (Continued)**

##### *(1) As a lessee (Continued)*

On the commencement date of the lease term, the Group recognises the present value of the outstanding lease payments as lease liabilities, except for short-term leases and low-value asset leases. The lease payments include fixed payments and in-substance fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option and payments for exercising the option to terminate a lease, if the Group is reasonably certain to exercise that option or the lease term reflects the Group exercising the option to terminate. The variable lease payments that are not included in the measurement of the lease liabilities are recognised in profit or loss when incurred, unless otherwise stipulated to be recognised in related asset costs. When the substantially fixed payment amount changes, the expected amount payable of the guarantee residual value changes, the index or ratio used to determine the lease payment amount changes, or the assessment results or actual exercise of the purchase option, renewal option or termination option change, the Group re-measures the lease liabilities based on the present value of the changed lease payments.

The Group recognises leases with lease terms of not more than 12 months as at the commencement date of the lease term and without the purchase option as short-term leases; and recognises leases with relatively low value when the single lease asset is a new asset as low-value asset lease. The Group does not recognise the right-of-use assets and lease liabilities for short-term leases and low-value asset leases. During each period of the lease term, the related asset costs or current profit and loss are included by using the straight-line method.

##### *(2) As a lessor*

Leases that transfer substantially all of the risks and rewards associated with the ownership of the lease assets on the lease start date are finance leases, and all other leases are operating leases. When the Group is a sublessor, it will classify the sublease based on the right-of-use assets arising from in original lease.

Rental income under an operating lease is recognized through profit or loss using the straight-line method for each period of the lease term. Variable lease payments not included in the measurement of the net investment in the lease are recognized in profit or loss as incurred. The initial direct expenses are capitalised and amortised over the lease term on the same basis as rental income is recognized, recognized in profit or loss in the current period.

As at the commencement date of the lease term, the Group shall recognize finance lease payment receivable for finance lease and derecognize finance lease assets. The finance lease payment receivable shall be accounted for at net lease investment in its initial measurement by the Group. Net lease investment represents the sum of unguaranteed residual value and the present value of lease payment receivable outstanding as at the commencement date of the lease term discounted at the implicit rate in the lease, including initial direct expenses.

The Group shall recognise interest income over each lease term based on constant periodic rate of return. The variable lease payments not included in the measurement of net investment in the lease obtained by the Group shall be recognised in profit or loss when it occurs.

## Notes to Financial Statements

For the year ended 31 December 2025

### III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 28. Hedge accounting

In respect of the methods of hedge accounting, the Group's hedging is classified as:

- (1) fair value hedge, that is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognized firm commitment (other than foreign exchange risk);
- (2) cash flow hedge, that is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or the exchange rate risk contained in an unrecognised definitive commitment.

At the inception of a hedge relationship, the Group officially designates the hedge relationship and prepares formal written documentation of the hedge relationship, risk management objectives and hedge strategies. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness. Hedge effectiveness is the extent to which the changes in fair value or cash flows of the hedging instruments offset changes in the fair value or cash flow of hedged items caused by the hedged risk. Such hedges are expected to be highly effective and are assessed on an ongoing basis to ensure that such hedges are highly effective during the accounting period with designated hedging relationships.

If the hedging instrument expires or is sold, contract terminated or exercised (but the rollover or replacement of part of a hedging instrument under the hedging strategy is not treated as an expiration or a contract termination), or due to a change in the risk management objective, the hedging relationship no longer meets the risk management objective, or when the hedging no longer meets other conditions of the hedge accounting method, the Group terminates the use of hedge accounting.

Where the hedging relationship no longer meets the hedging effectiveness requirements due to the hedging ratio, but the risk management objectives for the designated hedging relationship have not changed, the Group rebalances the hedging relationship.

Hedges which meet the criteria for hedge accounting are accounted for as follows:

##### (1) *Fair value hedge*

The gains or losses arising from the hedging instrument are recognised in profit or loss. The gain or loss of the hedged item arising from risk exposure is recognised in profit or loss, and the carrying amount of the hedged item that is not measured at fair value is adjusted accordingly.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with the corresponding gain or loss recognised in profit or loss.

## Notes to Financial Statements

For the year ended 31 December 2025

### **III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**

#### **28. Hedge accounting (Continued)**

##### **(2) Cash flow hedging**

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while the ineffective portion is recognised in profit or loss.

If the expected transaction being hedged is subsequently recognized as non-financial assets or non-financial liabilities, or when the expected transaction of non-financial assets or non-financial liabilities forms the definitive commitment under applicable fair value hedge, the amount of cash flow hedging reserves originally recognized in other comprehensive income shall be transferred out and included in the initial recognized amount of that asset or liability item. For the remaining cash flow hedge, during the same period in which the expected cash flow being hedged affects profit or loss, if an expected sale occurs, the cash flow hedging reserves recognized in other comprehensive income shall be transferred out and included in profit or loss for the current period.

#### **30. Production safety cost**

Production safety cost appropriated pursuant to regulations is recognised in the cost of the relevant products or in profit or loss for the current period, and also in the specific reserve. The use of production safety cost is accounted for separately according to whether a fixed asset is formed; the cost incurred through expenditure will be reduced from the specific reserve; the cost incurred for a fixed asset shall be pooled and recognised as a fixed asset when it reaches the working condition for its intended use, meanwhile, an equivalent amount shall be deducted from the specific reserve and recognised as accumulated depreciation.

#### **31. Fair value measurement**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 inputs -quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date; Level 2 inputs -the observable inputs, either directly or indirectly, of the relevant assets or liabilities other than Level 1 inputs; Level 3 inputs -unobservable inputs of the relevant assets or liabilities.

At each balance sheet date, for assets and liabilities that are recognised in the financial statements that are measured at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the fair value hierarchy by reassessment.

#### **32. Securitisation**

The Group will securitize some of its accounts receivable, transferring assets to the accounts receivable assets-backed special scheme. The scheme will issue senior and subordinated asset-backed securities to investors. After paying related taxes and fees, the special scheme will be firstly used to repay the principal and expected earnings of the senior asset-backed securities, with any remaining funds of the special scheme as the income from subordinated asset-backed securities attributable to the subordinated asset-backed securities' investors.

## Notes to Financial Statements

For the year ended 31 December 2025

### III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 33. Significant accounting judgments and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities at the balance sheet date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

##### (1) Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

##### *Operating lease commitments – Group as lessor*

The Group has entered into lease contracts on its investment property portfolio. The Group has determined, based on evaluation of the terms and conditions of the arrangements, that it retains almost all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

##### *Classification between investment properties and inventories*

The properties constructed by the Group may be held for sale, earning rental income and/ or capital appreciation. The properties are designated as inventories or investment properties according to the intention of holding at the early development stage. During the course of construction, the properties which are intended for sale after their completion are accounted for as inventories -properties under development included in current assets, whereas, the properties which are intended to be held to earn rental income and/or for capital appreciation are accounted for as investment properties under construction included in non-current assets. Upon completion, the properties held for sale are transferred to inventories' completed properties held for sale, while the properties held to earn rentals and/or for capital appreciation are transferred to completed investment properties.

##### *Consolidation Scope – the Group holds half or less of the voting rights of the investee*

The Group considers that it controls Tangshan Jidong Equipment & Engineering Co., Ltd. (hereinafter referred to as "Jidong Equipment") even though it owns less than half of the voting rights. This is because the Group is the single largest shareholder of Jidong Equipment, indirectly holding 30% of the shares with voting rights. Other shares of Jidong Equipment are widely held by many other shareholders. Since the date of acquisition, no other shareholders have collectively exercised their voting rights or have more votes than the Group.

## Notes to Financial Statements

For the year ended 31 December 2025

### **III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**

#### **33. Significant accounting judgments and estimates (Continued)**

##### *(1) Judgments (Continued)*

###### *Classification between investment properties and fixed assets*

The Group determines whether a property held qualifies as an investment property, and has developed relevant criteria for making the judgment. Properties held to earn rental income or for capital appreciation or both (including buildings under construction or development which are supposed to be used for rental earning) are classified as investment properties. Therefore, the Group considers whether a property generates cash flows largely independently of other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation while the remaining portion is held for use in the production or supply of goods or services or for administrative purposes. The Group accounts for the portion that is held to earn rentals or for capital appreciation separately if such portion can be sold or leased out separately. Otherwise, the property is classified as an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. The Group's judgment is made on an individual basis when determining whether ancillary services are so significant that a property does not qualify as an investment property.

###### *Other equity instruments – perpetual bonds*

As described in Note V. 47, as of 31 December 2025, the perpetual bond balance in other equity instruments of the Group amounted to RMB30.2 billion. Pursuant to the relevant prospectuses, perpetual bonds investment contracts and other documents, upon comprehensive consideration by the management of the Group that the perpetual bonds have no maturity dates or the Group has the right to extend for unlimited number of times upon the maturity thereof, and has the right to deferred the payment of coupon interests on the perpetual bonds, and that the Group has no contractual obligations to pay cash or other financial assets nor to exchange financial assets or financial liabilities under potential adverse condition with the holders of the perpetual bonds, the Group classifies the perpetual bonds as equity instruments, and the subsequent declared distribution will be treated as distribution to the holders of the equity.

###### *Business model*

The classification of financial assets at initial recognition is dependent on the Group's business model for managing the assets. Factors considered by the Group in judging the business model include enterprise valuation, the method of reporting the results of financial assets to key management members, risks affecting the results of financial assets and the method for managing such risks, as well as the form of remuneration received by the management personnel of the businesses concerned. In assessing whether the business model is aimed at receiving contract cash flow, the Group is required to analyse and exercise judgment in respect of the reasons, timing, frequency and values of any disposals prior to maturity.

###### *Characteristics of contract cash flow*

The classification of financial assets at initial recognition is dependent on the characteristics of the contract cash flow of such type of financial assets. Judgment is required to determine whether the contract cash flow represents interest payment in relation to principal amounts based on outstanding principal amounts only, including judgment of whether it is significantly different from the benchmark cash flow when assessing modifications to the time value of currencies, and judgment of whether the fair value of early repayment features is minimal where the financial assets include such early repayment features.

## Notes to Financial Statements

For the year ended 31 December 2025

### III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 33. Significant accounting judgments and estimates (Continued)

##### (2) *Uncertainty of estimation*

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods are discussed below.

##### *Impairment of financial instruments*

The Group uses expected credit losses model to conduct assessment on the impairment of financial instruments. The application of expected credit losses model requires significant judgment and estimation and takes into account all reasonable and reliable information, including forward-looking information. When making such judgment and estimation, the Group predicts the expected changes in credit risk of the obligor based on its historical data of repayment together with factors such as economic policy, macroeconomic indicators and industry risk. Differences in estimates may have an impact on the provision for Impairment. A provision for impairment may not be equal to the actual amount of impairment losses in the future.

##### *Impairment of goodwill*

The Group measures the goodwill acquired in the business combination according to the amount of the cost less the accumulated impairment loss after the initial recognition, and tests for impairment at least at the end of each year. The recoverable amount of the relevant asset group (including goodwill) is required to be calculated during the impairment test of goodwill. The present value of expected future cash flows is used to determine the recoverable amount of the relevant asset group, which involves the Group's estimates of future economic and market conditions as well as the selection of key parameters such as the expected future cash flows and the discount rate.

##### *Impairment of non-current assets other than financial assets (other than goodwill)*

The Group assesses whether there are any indication of impairment for all non-current assets other than financial assets at the balance sheet date. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such indication exists. Other non-current assets other than financial assets are tested for impairment when there is indication that the carrying amounts may not be recoverable. Where the carrying amount of an asset or asset group is higher than its recoverable amount (i.e. the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from it), it is indicated that such asset or asset group is impaired. The fair value less costs to sell is determined with reference to the price in sales agreement or observable market price in arm's length transaction, adjusted for incremental costs that would be directly attributable to the disposal of the asset or asset group. Estimating the present value of the expected future cash flows requires the management to make an estimation of the expected future cash flows from an asset or asset group and also choose a suitable discount rate in order to calculate the present value of those future cash flows.

##### *Fair value of non-listed equity investment*

The Group determines the fair value of non-listed equity investment using the market approach. This requires the Group to ascertain comparable listed companies, select market multiples and make estimates on liquidity discounts, thereby giving rise to uncertainties.

## Notes to Financial Statements

For the year ended 31 December 2025

### **III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**

#### **33. Significant accounting judgments and estimates (Continued)**

##### *(2) Uncertainty of estimation (Continued)*

###### *Deferred income tax assets*

Deferred income tax assets are recognised for all unused deductible tax losses to the extent that it is probable that taxable profit will be available against which the deductible tax losses can be utilised. Significant management judgment is required to determine the amount of deferred income tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

###### *Land appreciation tax*

The Group is subject to land appreciation tax ("LAT"). The provision for land appreciation tax is based on the management's best estimates according to their understanding of the requirements set forth in the relevant tax laws and regulations. The actual land appreciation tax liabilities are subject to the determination by the tax authorities upon the settlement of land appreciation tax. The Group has not finalised the assessment for its land appreciation tax calculations and payments with the tax authorities for certain property development projects. The final outcome could be different from the amounts that were initially recorded, and any differences will have impact on the land appreciation tax expense and the related provision in the period in which the differences are realised.

###### *Fair value of investment properties*

The Group uses the fair value model for subsequent measurement of its investment properties, and determines the fair value of investment properties based on the value appraised by external professional asset valuer. Such valuations are based on certain assumptions, which are subject to uncertainty and might differ from the actual results. In making the relevant estimation, information from current market rentals for similar properties and amount of open market transactions are considered and assumptions that are mainly based on market conditions existing at the balance sheet date are adopted.

###### *Recognition and allocation of development costs on properties under construction*

Development costs of properties are recorded as inventory during the construction stage and will be transferred to the income statement upon the recognition of the sale of the properties. Before the final settlement of the development cost and other costs relating to the development of the properties, the management of the Group is required to make estimation on these costs according to the budgeted cost and the progress of development. When developing properties, the Group typically divides the development projects into phases. Costs directly related to the development of a phase are recorded as the costs of such phase. Costs that are common to different phases are allocated to individual phases based on saleable area. Where the final settlement of costs and the related cost allocation are different from the initial estimates, any increase or decrease in the development costs and other costs would affect the profit or loss in current and future years.

## Notes to Financial Statements

For the year ended 31 December 2025

### III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 33. Significant accounting judgments and estimates (Continued)

##### (2) *Uncertainty of estimation (Continued)*

###### *Provision for decline in value of inventory*

The Group's inventory is measured at the lower of the costs and net realisable value. Net realizable value of inventory is the estimated selling price of inventory less the estimated costs upon completion of production, the estimated selling expenses and the related taxes and surcharges necessary to make the sale. Management's calculation of the net realisable value of inventory involves the estimation on the estimated selling price, the estimated costs upon completion, the estimated selling expenses and the related taxes and surcharges necessary to make the sale. Any changes in such estimates will affect the carrying amount of the inventory and profit or loss of the year of the future change.

###### *Measurement of defined benefit obligations*

Supplementary subsidies and benefits paid to certain retired and early retired employees are recognized as a liability. The amounts of those benefit expenses and liabilities are determined using actuarial valuations conducted by an independent professional actuary who conducts annual assessment of the actuarial position of the Group's retirement plans. The actuarial valuation involves making assumptions on discount rates, pension benefit inflation rates, and other factors. Due to their long term nature, such estimates are subject to uncertainties.

###### *Useful lives and residual values of fixed assets*

Fixed assets are depreciated over their estimated useful lives by taking into account of their residual values. The Group regularly reviews the estimated useful lives and residual values of relevant assets to determine the total amount of depreciation which will be included in each reporting period. Useful lives and residual values of assets are determined on the basis of the previous experience from assets of the same category and the expected change of technology. If the past estimates change significantly, the depreciation costs shall be adjusted during future periods.

###### *Lessee's incremental borrowing rate*

For a lease with uncertain interest rate, the Group adopts the lessee's incremental borrowing rate as the discount rate to calculate the present value of the lease payment. When determining the incremental borrowing rate, the observable interest rate is used as reference basis according to the economic environment in which it operates. Based on this, the interest rate as reference is adjusted to get applicable incremental borrowing rate, according to its own situation, the underlying asset situation, lease term, the amount of the lease liability and other specific conditions leasing business.

## Notes to Financial Statements

For the year ended 31 December 2025

### III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

#### 34. Change in major accounting policies and accounting estimates

##### *Change in Significant Accounting Estimates*

Unit: RMB

Details and reasons for change in accounting estimates	Commencement date	Name of the statement item materially affected	Amount affected in 2025
<p>On 29 March 2025, the Board of the Company approved the change in the depreciation life of machinery and equipment. The Group conducted a detailed assessment on the use of machinery and equipment assets. At the same time, with reference to the situation of companies in the same industry and in order to more fairly and truly reflect the condition of assets and operating results of the Group and make the depreciation life of fixed assets closer to the actual useful life and the depreciation period more reasonable, upon consideration and approval of the Board of the Company, the Group adjusted the depreciable life of certain machinery and equipment from 15 years to 5-20 years since 1 January 2025.</p>	1 January 2025	Fixed assets and operating costs	549,275,532.98

## Notes to Financial Statements

For the year ended 31 December 2025

### IV. TAXATION

#### 1. Major categories of taxes and respective tax rates

	Taxable basis	Tax rate
Value-added tax (VAT)	1. The difference between the sales amount and the output tax calculated at the applicable tax rate after deducting the input tax amount deductible 2. Based on the sales revenue at a simplified tax rate	13%, 9%, 6%, 5%, 3%
City maintenance and construction tax	Actual VAT paid	7%, 5%, 1%
Educational surcharge	Actual VAT paid	3%
Property tax	1. Based on the original value of the property less 10%-30% of that value 2. Based on the rental income	1.2%, 12%
Land appreciation tax	Based on the appreciation of land value	At four-level excess progressive tax rates ranging from 30% to 60%
Resource tax	1. Sales revenue 2. On a quantity basis	Applicable tax rate Applicable tax amount
Corporate income tax	Taxable income	25%, 20%, 16.5%, 15%
Individual income tax	Based on salaries and other personal incomes paid to employees	Applicable tax rate
Land use tax	Based on land areas actually occupied for production and operation	Applicable tax amount

#### 2. Tax Concessions

##### Corporate income tax

- a. Certain subsidiaries of the Group are certified as high-tech enterprises by relevant governmental authorities and enjoy a preferential corporate income tax rate of 15% for high-tech enterprises pursuant to the implementation rules of the Law on Enterprise Income Tax of the People's Republic of China and the Notice of the State Administration of Taxation of the PRC regarding Income Tax Preferences for High-tech Enterprises (《國家稅務總局關於高新技術企業所得稅優惠有關問題的通知》). According to the Announcement on Further Implementing the Preferential Income Tax Policies for Small and Micro Enterprises, from 1 January 2022 to 31 December 2024, the portion of annual taxable income of a small low-profit enterprise which exceeds RMB1 million but does not exceed RMB3 million shall be calculated at a reduced rate of 25% as taxable income amount and shall be subject to EIT at 20% tax rate. According to the Announcement on the Preferential Income Tax Policies for Small and Micro Enterprises and Self-Employed Individuals, small low-profit enterprises with the taxable income not exceeding RMB3 million shall be calculated at a reduced rate of 25% as taxable income amount and shall be subject to EIT at 20% tax rate. Such policy shall be implemented until 31 December 2027. Certain subsidiaries of the Group enjoyed the above-mentioned preferential corporate income tax policy.

## Notes to Financial Statements

For the year ended 31 December 2025

### IV. TAXATION (Continued)

#### 2. Tax Concessions (Continued)

##### *Corporate income tax (Continued)*

- b. Pursuant to the Notice on the Issues concerning the Taxation Policies for Deepening the Implementation of the Develop-the-West Strategy (《關於深入實施西部大開發戰略有關稅收政策問題的通知》) (Cai Shui [2011] No. 58), Announcement [2012] No.12 of the State Administration of Taxation on the Corporate Income Tax in relation to Deepening the Implementation of the Western Development Strategy (《關於深入實施西部大開發戰略有關企業所得稅問題的公告》) and Announcement 2020 No. 23 of the Ministry of Finance, the State Taxation Administration, and the National Development and Reform Commission of Announcement on Renewing Income Tax Policy for Western Development (《關於延續西部大開發企業所得稅政策的公告》), certain subsidiaries of the Company located in Western China meeting the criteria were subject to corporate income tax at rate of 15% after obtaining the approval from the competent tax authorities.

##### *Value-added tax (VAT)*

Certain subsidiaries of the Group enjoy the following VAT preferences:

- a. In accordance with the relevant policies of the “Announcement on Improving the Value-added Tax Policy for Comprehensive Utilization of Resources” (關於完善資源綜合利用增值稅政策的公告) (Cai Shui (2021) No. 40) which took effect from 1 March 2022, if a subsidiary of BBMG which is engaged in cement production, adopts rotary kiln process for cement production, the proportion of waste residue (excluding limestone waste residue) in raw materials of cements with grade 42.5 and above is not lower than 20% and that in raw materials of other cements and cement clinkers is not lower than 40%, it may enjoy 70% VAT refund upon collection. According to the relevant policies of the “Announcement on Improving the Value-added Tax Policy for Comprehensive Utilization of Resources” (關於完善資源綜合利用增值稅政策的公告) (Cai Shui (2021) No. 40), if a subsidiary of the Group with pollutant and waste disposal capacity, is engaged in labor services such as waste disposal and sludge treatment and disposal, it may enjoy 70% VAT refund upon collection.
- b. In accordance with the relevant policies of the “Announcement on Improving the Value-added Tax Policy for Comprehensive Utilization of Resources” (關於完善資源綜合利用增值稅政策的公告) (Cai Shui (2021) No. 40) which took effect from 1 March 2022, a minor portion of products of BBMG Mortar Co., Ltd., Tianjin Jinyu Treasure Bright Mortar Co., Ltd. and Tangshan Dunshi Dry Powder Building Materials Co., Ltd., being the subsidiaries of the Group, meet the requirement of Comprehensive Utilization of Resources, enjoying 70% VAT refund upon collection.

## Notes to Financial Statements

For the year ended 31 December 2025

### IV. TAXATION (Continued)

#### 2. Tax Concessions (Continued)

##### *Value-added tax (VAT) (Continued)*

- c. In accordance with the requirements of the Notice of the Ministry of Finance and the State Administration of Taxation on Value-added Tax Policies for Software Products (《財政部國家稅務總局關於軟件產品增值稅政策的通知》) (Cai Shui [2011] No. 100), Tangshan Dunshi Information and Technology Co., Ltd. enjoys the preferential VAT policy of refund upon collection in respect of the actual tax burden exceeding 3% for the software it sells.
- d. Pursuant to the Announcement on Policy in relation to the Offset and Deduction of Additional Value-added Tax of Advanced Manufacturing Enterprises (《關於先進製造業企業增值稅加計抵減政策的公告》) (Cai Shui (2023) No. 43), advanced manufacturing enterprises are allowed to offset and deduct an additional 5% of VAT payable amount based on the deductible input VAT for the respective period from 1 January 2023 to 31 December 2027. Certain subsidiaries of the Group enjoyed the above-mentioned tax concession policy.
- e. Other Tax Concession Policies

Pursuant to Article 13 of the Environmental Protection Tax Law of the People's Republic of China (Order of the President of the People's Republic of China No. 61), where the concentration value of the taxable atmospheric or water pollutants discharged by taxpayers is lower than the national and local pollutant emission standards by 30%, only 75% of the environmental protection tax will be levied and where the concentration value of the taxable atmospheric or water pollutants discharged by taxpayers is lower than the national and local emission standards by 50%, only 50% of the environmental protection tax will be levied. Certain subsidiaries of the Group applied to such tax concession policy.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

#### 1. Cash and bank balances

Items	Unit: RMB	
	31 December 2025	31 December 2024
Bank deposits	14,881,542,274.63	16,804,617,275.51
Statutory deposit reserve placement with central bank by finance company	995,739,580.24	1,167,233,816.33
Cash on hand	236,628.28	232,400.43
Other cash and bank balances	346,593,691.30	319,994,783.81
<b>Total</b>	<b>16,224,112,174.45</b>	<b>18,292,078,276.08</b>
<i>Including: Total amount of funds deposited overseas</i>	<b>286,762,039.57</b>	<b>155,792,904.68</b>

#### 2. Financial assets held for trading

Items	Unit: RMB	
	31 December 2025	31 December 2024
Financial assets at fair value through profit or loss		
Debt instruments investment	952,254,054.47	1,152,935,304.61
Equity instrument investment	18,342,500.00	19,658,100.00
<b>Total</b>	<b>970,596,554.47</b>	<b>1,172,593,404.61</b>

#### 3. Bills receivable

##### (1) Classification of bills receivable

Items	Unit: RMB	
	31 December 2025	31 December 2024
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
<b>Total</b>	<b>497,663,264.11</b>	<b>807,322,521.79</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 3. Bills receivable

##### (2) Pledged bills receivable

Details of pledged bills receivable are set out in Note V. 27.

##### (3) Bills receivable endorsed or discounted but not yet due at the balance sheet date

Items	31 December 2025		31 December 2024	
	Derecognised	Not derecognised	Derecognised	Not derecognised
	Unit: RMB			
Commercial acceptance bills	-	244,483,841.09	-	226,577,905.13
Bank acceptance bills	-	17,441,688.20	-	90,876,462.23
<b>Total</b>	<b>-</b>	<b>261,925,529.29</b>	<b>-</b>	<b>317,454,367.36</b>

##### (4) Movements in provision for bad debts of bills receivable

Items	2025	2024
	Unit: RMB	
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)
<b>Closing balance</b>	<b>12,642,146.42</b>	<b>19,946,374.12</b>

See Note VIII. 4 for transfer of bills receivable.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 4. Accounts receivable

The credit period of accounts receivable is generally 1 to 6 months, and accounts receivable are non-interest bearing. The aging of accounts receivable is calculated from the date of delivery of goods or provision of services to the customer and the date when the invoice is issued. An aging analysis of accounts receivable is as follows:

(1) *Disclosure by aging*

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

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 4. Accounts receivable (Continued)

##### (2) Disclosure by provision method for bad debt

Unit: RMB

Items	31 December 2025				
	Balance of carrying amount		Provision for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
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
<b>Total</b>	<b>13,961,815,163.77</b>	<b>100.00</b>	<b>2,561,959,070.90</b>	<b>18.35</b>	<b>11,399,856,092.87</b>

Unit: RMB

Items	31 December 2024				
	Balance of carrying amount		Provision for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
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
<b>Total</b>	<b>13,254,077,103.60</b>	<b>100.00</b>	<b>2,666,635,696.36</b>	<b>20.12</b>	<b>10,587,441,407.24</b>

## Notes to Financial Statements

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)****4. Accounts receivable (Continued)****(2) Disclosure by provision method for bad debt (Continued)***Provision for bad debts on individual basis*

Unit: RMB

Items	31 December 2025		
	Balance of carrying amount	Provision for bad debts	Reasons for provision
Dahongmen (Beijing) Construction Development Co., Ltd.	2,196,912,653.00	21,969,126.53	Partly uncollectible
Tangshan Mining & Metallurgical Machinery Plant Co., Ltd. (唐山冶金礦山機械廠有限公司)	69,093,205.69	20,081,584.22	Partly uncollectible
Xiyangjiaying Village Committee, Fengrun District (豐潤區西楊家營村委會)	67,170,448.13	67,170,448.13	All uncollectible
Chengde Dadi Construction Real Estate Development Co., Ltd. (承德大地營造房地產開發有限公司)	62,461,027.70	62,461,027.70	All uncollectible
Tangshan Jidong Huijian Cement Co., Ltd. (唐山冀東灰劍水泥有限公司)	56,559,690.36	56,559,690.36	All uncollectible
Shanxi Energy Investment International Trade Co., Ltd. (山西能投國際貿易有限公司)	40,165,481.70	40,165,481.70	All uncollectible
Other units	979,269,876.09	254,252,292.78	Partly uncollectible
<b>Total</b>	<b>3,471,632,382.67</b>	<b>522,659,651.42</b>	

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 4. Accounts receivable (Continued)

##### (2) Disclosure by provision method for bad debt (Continued)

##### Provision for bad debts on individual basis (Continued)

Unit: RMB

Items	Balance of carrying amount	31 December 2024	
		Provision for bad debts	Reasons for provision
Dahongmen (Beijing) Construction Development Co., Ltd.	921,958,054.00	8,315,590.73	Partly uncollectible
Tangshan Mining & Metallurgical Machinery Plant Co., Ltd. (唐山冶金礦山機械廠有限公司)	95,793,205.69	20,081,584.22	Partly uncollectible
Xiyangjiaying Village Committee, Fengrun District (豐潤區西楊家營村委會)	67,170,448.13	67,170,448.13	All uncollectible
Chengde Dadi Construction Real Estate Development Co., Ltd. (承德大地營造房地產開發有限公司)	62,461,027.70	62,461,027.70	All uncollectible
Tangshan Jidong Huijian Cement Co., Ltd. (唐山冀東灰劍水泥有限公司)	56,559,690.36	56,559,690.36	All uncollectible
Beijing International Business Center Development and Construction Group (北京國際商務中心區開發建設集團)	45,935,163.55	459,351.64	Partly uncollectible
Shanxi Energy Investment International Trade Co., Ltd. (山西能投國際貿易有限公司)	40,165,481.70	40,165,481.70	All uncollectible
Other units	1,051,808,897.70	464,140,849.82	Partly uncollectible
<b>Total</b>	<b>2,341,851,968.83</b>	<b>719,354,024.30</b>	

As at 31 December 2025, accounts receivable which are subject to provision for bad debts by group were as follows:

Unit: RMB

Item	Balance of carrying amount	Provision for impairment	Proportion of provision (%)
Credit risk group	10,490,182,781.10	2,039,299,419.48	19.44

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 4. Accounts receivable (Continued)

##### (2) Disclosure by provision method for bad debt (Continued)

As at 31 December 2024, accounts receivable which are subject to provision for bad debts by group were as follows:

Item	Balance of carrying amount	Provision for impairment	Unit: RMB
			Proportion of provision (%)
Credit risk group	10,912,225,134.77	1,947,281,672.06	17.84

##### (3) Provision for bad debts

Items	Unit: RMB	
	2025	2024
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
Transfer out upon disposal of subsidiaries	-	(37,515,506.21)
Other transfer out	(19,739,044.60)	-
Closing balance	2,561,959,070.90	2,666,635,696.36

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 4. Accounts receivable (Continued)

##### (3) Provision for bad debts (Continued)

Among them, the amounts for the recovery or reversal of bad debt provisions for the current year

Unit: RMB

Items	Amount recovered or reversed	Reason of reversal	Method of recovery	Basis of determining original provision ratio of bad debt and its rationality
Tangshan Mining & Metallurgical Machinery Plant Co., Ltd. (唐山冶金礦山機械廠有限公司)	26,700,000.00	Payment recovery	Bank deposits	Individual provision
Other units	236,727,227.40	Payment recovery	Bank deposits	Collective provision/ Individual provision
<b>Total</b>	<b>263,427,227.40</b>			

##### (4) Actual write-off amount of accounts receivable

The actual write-off amount for the year is RMB5,239,371.77, with the significant items as follows:

Unit: RMB

Nature	Write-off amount	Write-off reason	Procedure performed	Whether generated from related transactions
Total Current account/Warranty deposit	5,239,371.77	Note 1	Approval by the senior management	No

Note 1: The payments are irrecoverable for a long time, the enterprise was deregistered and a notice of termination of enforcement has been issued, etc.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 4. Accounts receivable (Continued)

##### (5) Top five accounts receivable, contract assets and long-term receivables by debtor

Unit: RMB

Items	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of long-term receivables	Subtotal	Percentage of the total closing balance of accounts receivable, long term receivables and contract assets (%)	Closing balance of bad debt provision for accounts receivable, long term receivables and impairment provision for contract assets
Dahongmen (Beijing) Construction Development Co., Ltd.	2,196,912,653.00	-	-	2,196,912,653.00	13.66	21,969,126.53
China State Construction Engineering Corporation Limited (中國建築股份有限公司)	427,066,806.52	22,846,952.87	24,667,411.31	474,581,170.70	2.95	44,197,051.47
Beijing Urban Construction Group Co., Ltd. (北京城建集團有限公司)	399,618,706.26	16,434,877.11	34,918,377.07	450,971,960.44	2.80	36,378,408.68
Beijing Construction Engineering Group Co., Ltd. (北京建工集團有限公司)	203,503,888.82	9,837,775.26	6,238,045.72	219,579,709.80	1.37	25,149,257.44
Unit 1	96,051,393.65	-	-	96,051,393.65	0.60	3,842,055.75
<b>Total</b>	<b>3,323,153,448.25</b>	<b>49,119,605.24</b>	<b>65,823,834.10</b>	<b>3,438,096,887.59</b>	<b>21.38</b>	<b>131,535,899.87</b>

#### 5. Financing receivables

##### (1) Classification of financing receivables

Unit: RMB

Item	31 December 2025	31 December 2024
Bank acceptance bills	850,433,443.17	885,835,186.93

Due to the needs of daily fund management, the subsidiaries of the Group endorsed or discounted bank acceptance bills. The Group therefore classified bank acceptance bills for which the accepting bank's credit rating meets specified criteria as financial assets at fair value through other comprehensive income.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 5. Financing receivables (Continued)

##### (2) Receivables financing pledged at the end of the year

Item	Unit: RMB Amounts pledged at the end of the year
Bank acceptance bills	-

##### (3) Receivables financing endorsed or discounted at the end of the year and not yet due at the balance sheet date

Item	Unit: RMB Derecognised at the end of the year	Not derecognised at the end of the year
Bank acceptance bills	<b>3,388,627,828.97</b>	-

As at 31 December 2025, the Group endorsed the undue notes receivable to its suppliers or discounted to banks to settle trade payables of the same amounts and derecognised these notes receivable and payables to suppliers in their entirety as the Group's management considered that the risks and rewards of ownership of these undue bills have been substantially transferred. The Group's continuous involvement in these derecognised undue notes receivable is limited to when the issuance banks of these undue notes are unable to settle the amounts due to the holders of these notes. As at 31 December 2025, the maximum exposure to loss from its continuous involvement represents the amounts of undue notes receivable of RMB3,388,627,828.97 (31 December 2024: RMB6,406,717,625.70), which the Group endorsed to its suppliers or discounted to banks.

**Notes to Financial Statements**

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)****6. Prepayments****(1) Prepayments by aging**

Unit: RMB

Items	31 December 2025		31 December 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	<b>3,068,675,161.53</b>	<b>93.50</b>	2,984,701,202.67	95.26
1 to 2 years	<b>156,658,215.59</b>	<b>4.77</b>	83,144,574.31	2.65
2 to 3 years	<b>26,573,756.23</b>	<b>0.81</b>	37,009,480.11	1.18
Over 3 years	<b>29,982,834.57</b>	<b>0.92</b>	28,611,654.22	0.91
Subtotal	<b>3,281,889,967.92</b>	<b>100.00</b>	3,133,466,911.31	100.00
Less: Provision for impairment of prepayment	<b>32,992,254.32</b>		26,648,098.37	
Total	<b>3,248,897,713.60</b>		3,106,818,812.94	

**(2) Top five prepayments by supplier based on closing balance**

Unit: RMB

Item	Closing balance	Percentage to the total closing balance of prepayments (%)
Total	<b>976,879,867.52</b>	<b>29.77</b>

**(3) Changes in impairment losses on prepayments**

Unit: RMB

Items	2025	2024
Balance at the beginning of the year	<b>26,648,098.37</b>	28,215,086.35
Provision for the year	<b>7,318,015.88</b>	1,744,374.61
Reversal for the year	<b>(973,859.93)</b>	(309.69)
Transfer out upon disposal of subsidiaries	-	(2,213,969.01)
Other transfer out	-	(1,097,083.89)
Balance at the end of the year	<b>32,992,254.32</b>	26,648,098.37

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 7. Other receivables

Items	Unit: RMB	
	31 December 2025	31 December 2024
Interests receivable	41,891,154.14	39,648,566.62
Dividends receivable	627,287.80	2,296,643.43
Other receivables	7,484,423,228.06	5,377,614,973.12
<b>Total</b>	<b>7,526,941,670.00</b>	<b>5,419,560,183.17</b>

##### (1) Interests receivable

Item	Unit: RMB	
	31 December 2025	31 December 2024
Special loans for projects	41,891,154.14	39,648,566.62

##### (2) Disclosure by aging

Items	Unit: RMB	
	31 December 2025	31 December 2024
Within 1 year	4,385,296,590.04	2,643,146,897.56
1 to 2 years	1,218,005,498.19	1,099,640,270.13
2 to 3 years	529,717,620.18	311,878,137.53
3 to 4 years	268,139,334.68	513,322,495.18
4 to 5 years	451,798,747.24	446,525,842.64
Over 5 years	3,578,962,049.53	3,316,266,909.15
<b>Subtotal</b>	<b>10,431,919,839.86</b>	<b>8,330,780,552.19</b>
Less: Provision for bad debts of other receivables	2,904,978,169.86	2,911,220,369.02
<b>Total</b>	<b>7,526,941,670.00</b>	<b>5,419,560,183.17</b>

# Notes to Financial Statements

For the year ended 31 December 2025

## V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 7. Other receivables (Continued)

#### (3) Classification by nature

Items	Unit: RMB	
	31 December 2025	31 December 2024
Interests receivable	<b>41,891,154.14</b>	39,648,566.62
Interests of borrowings due from associates	<b>41,891,154.14</b>	39,648,566.62
Dividends receivable	<b>627,287.80</b>	2,296,643.43
Other receivables	<b>10,389,401,397.92</b>	8,288,835,342.14
Deposits and reserve funds	<b>1,661,063,133.55</b>	1,295,104,543.12
Current account with other entities	<b>3,211,656,833.97</b>	2,802,573,274.80
Disbursements previously made	<b>1,278,189,820.46</b>	1,155,279,524.72
Investment receivable	<b>205,773,166.98</b>	190,799,529.98
Government grants receivable	<b>35,902,831.36</b>	29,497,764.97
Amount due from associates	<b>549,727,296.47</b>	657,618,370.53
Amount due from joint ventures	<b>1,245,583,981.14</b>	3,158,464.00
Other current account	<b>2,201,504,333.99</b>	2,154,803,870.02
Subtotal	<b>10,431,919,839.86</b>	8,330,780,552.19
Less: Provision for bad debts of other receivables	<b>2,904,978,169.86</b>	2,911,220,369.02
Total	<b>7,526,941,670.00</b>	5,419,560,183.17

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 7. Other receivables (Continued)

##### (4) Provision for bad debts

31 December 2025

Unit: RMB

Items	Balance of carrying amount		Provision for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Individual provision for bad debts	8,986,583,472.13	86.50	2,299,588,073.88	25.59	6,686,995,398.25
Provision for bad debts by credit risk characteristics group	1,402,817,925.79	13.50	605,390,095.98	43.16	797,427,829.81
<b>Total</b>	<b>10,389,401,397.92</b>	<b>100.00</b>	<b>2,904,978,169.86</b>	<b>27.96</b>	<b>7,484,423,228.06</b>

31 December 2024

Unit: RMB

Items	Balance of carrying amount		Provision for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Individual provision for bad debts	7,267,416,209.34	87.68	2,231,326,630.56	30.70	5,036,089,578.78
Provision for bad debts by credit risk characteristics group	1,021,419,132.80	12.32	679,893,738.46	66.56	341,525,394.34
<b>Total</b>	<b>8,288,835,342.14</b>	<b>100.00</b>	<b>2,911,220,369.02</b>	<b>35.12</b>	<b>5,377,614,973.12</b>

## Notes to Financial Statements

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)****7. Other receivables (Continued)****(4) Provision for bad debts (Continued)**

Other receivables which were subject to individual provision for bad debts were as follows:

Items	31 December 2025				31 December 2024	
	Balance of carrying amount	Provision for bad debts	Proportion of provision (%)	Reasons for provision	Balance of carrying amount	Provision for bad debts
Beijing Haiyu Zhixin Real Estate Development Co., Ltd. (北京海隅置欣房地產開發有限公司)	1,132,038,465.14	-	-	Expected to be wholly collectible	-	-
Housing and Urban-rural Development Committee of Fengtai District, Beijing	560,888,098.50	5,608,880.99	1.00	Probably partial uncollectible	558,273,880.84	5,582,738.81
Tangshan Heavy Equipment Group Co., Ltd. (唐山重型裝備集團有限責任公司)	475,420,636.65	4,754,206.37	1.00	Probably partial uncollectible	480,294,431.41	16,835,095.93
Zhongfang Huanui (Tangshan) Real Estate Co., Ltd.	440,796,033.00	4,416,649.57	1.00	Probably partial uncollectible	440,355,531.95	4,416,649.57
Beijing Electronic Control Sunshine Real Estate Development Co., Ltd. (北京電控陽光房地產開發有限公司)	293,167,436.78	2,931,674.37	1.00	Probably partial uncollectible	333,397,846.99	-
Other customers	6,084,272,802.06	2,281,876,662.58	37.50	Probably partial uncollectible	5,455,094,518.15	2,204,492,146.25
<b>Total</b>	<b>8,986,583,472.13</b>	<b>2,299,588,073.88</b>			<b>7,267,416,209.34</b>	<b>2,231,326,630.56</b>

As at 31 December 2025, other receivables which are subject to provision for bad debts by group were as follows:

Item	31 December 2025		
	Balance of carrying amount	Provision for bad debts	Proportion of provision (%)
Credit risk group	1,402,817,925.79	605,390,095.98	43.16

As at 31 December 2024, other receivables which are subject to provision for bad debts by group were as follows:

Item	31 December 2024		
	Balance of carrying amount	Provision for bad debts	Proportion of provision (%)
Credit risk group	1,021,419,132.80	679,893,738.46	66.56

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 7. Other receivables (Continued)

##### (4) Provision for bad debts (Continued)

2025

Unit: RMB

Items	Stage One	Stage Two	Stage Three	Total
	Expected credit loss for the next 12 months	Lifetime expected credit loss (Non credit-impaired)	Lifetime expected credit loss (Credit-impaired)	
Opening balance	3,225,167.45	852,684,157.28	2,055,311,044.29	2,911,220,369.02
Stage transfer of opening balance during the year	(765,621.15)	(71,360,275.44)	72,125,896.59	-
Provision for the year	2,390,615.12	34,709,533.33	14,714,961.53	51,815,109.98
Reversal for the year	-	(14,515,536.44)	(45,342,828.19)	(59,858,364.63)
Business combinations not under common control	-	1,801,055.49	-	1,801,055.49
Closing balance	4,850,161.42	803,318,934.22	2,096,809,074.22	2,904,978,169.86

2024

Unit: RMB

Items	Stage one	Stage two	Stage three	Total
	Expected credit loss for the next 12 months	Lifetime expected credit loss (Non credit-impaired)	Lifetime expected credit loss (Credit-impaired)	
Opening balance	3,378,110.40	491,832,304.86	2,448,530,769.96	2,943,741,185.22
Stage transfer of opening balance during the year	(2,245,847.30)	323,429,332.53	(321,183,485.23)	-
Provision for the year	2,093,009.95	35,601,662.84	3,773,153.58	41,467,826.37
Reversal for the year	(105.60)	(2,340,992.82)	(65,881,522.13)	(68,222,620.55)
Transfer out upon disposal of subsidiaries	-	-	(2,917,199.58)	(2,917,199.58)
Other changes	-	4,161,849.87	(7,010,672.31)	(2,848,822.44)
Closing balance	3,225,167.45	852,684,157.28	2,055,311,044.29	2,911,220,369.02

## Notes to Financial Statements

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)****7. Other receivables (Continued)****(4) Provision for bad debts (Continued)**

The movements in provision for bad debts of other receivables are as follows:

Unit: RMB

Items	Opening balance	Provision for the year	Recovery or reversal for the year	Write-off for the year	Transfer out upon disposal of subsidiaries	Others	Closing balance
2025	2,911,220,369.02	51,815,109.98	(59,858,364.63)	-	-	1,801,055.49	2,904,978,169.86
2024	2,943,741,185.22	41,467,826.37	(68,222,620.55)	-	(2,917,199.58)	(2,848,822.44)	2,911,220,369.02

**(5) Top five closing balance of other receivables by debtor**

Unit: RMB

Items	Closing balance	Proportion in total balance of other receivables (%)	Nature	Aging	Closing balance of provision for bad debts
Beijing Haiyu Zhixin Real Estate Development Co., Ltd. (北京海潤置欣房地產開發有限公司)	1,132,038,465.14	10.90	Current account with other entities	Within 1 year	-
Housing and Urban-rural Development Committee of Fengtai District, Beijing	560,888,098.50	5.40	Current account with other entities	0-5 years	5,608,880.99
Tangshan Heavy Equipment Group Co., Ltd. (唐山重型裝備集團有限責任公司)	475,420,636.65	4.58	Current account with other entities	0-5 years	4,754,206.37
Zhongfang Huarui (Tangshan) Real Estate Co., Ltd.	440,796,033.00	4.24	Current account with other entities	0-5 years	4,416,649.57
Beijing Electronic Control Sunshine Real Estate Development Co., Ltd. (北京電控陽光房地產開發有限公司)	293,167,436.78	2.82	Current account with other entities	1-2 years	2,931,674.37
Total	2,902,310,670.07				17,711,411.30

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 7. Other receivables (Continued)

- (6) As set out in Note IV. 2 Tax Concessions, certain companies of the Group enjoy the policy of immediate refund of VAT levied. As at the balance sheet date, the value-added tax refund receivable has been verified by various tax bureaus, and the management expects that the amounts will be fully recovered within the next year.

31 December 2025

Item	Grant item	Amount	Aging	Unit: RMB
				Expected time of receipt
Local tax authorities	Refunds of VAT	35,902,831.36	Within 1 year	Within 1 year

31 December 2024

Item	Grant item	Amount	Aging	Unit: RMB
				Expected time of receipt
Local tax authorities	Refunds of VAT	29,497,764.97	Within 1 year	Within 1 year

#### 8. Inventories

##### (1) Classification of inventories

Items	Unit: RMB		
	Balance of carrying amount	31 December 2025 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 cost	57,748,291.76	-	57,748,291.76
Total	85,906,532,410.14	3,426,573,584.48	82,479,958,825.66

**Notes to Financial Statements**

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)****8. Inventories (Continued)****(1) Classification of inventories (Continued)**

Unit: RMB

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

The amortization amount recognized for contract performance costs during the year is RMB1,810,096,423.97. The closing carrying value is presented in inventory based on liquidity.

**(2) Provision for decline in value of inventories and impairment of contract performance cost****31 December 2025**

Unit: RMB

Items	Opening balance	Provision for the year	Decrease during 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 cost	1,316,487.72	-	-	(1,316,487.72)	-	-
<b>Total</b>	<b>3,112,965,071.30</b>	<b>841,672,821.77</b>	<b>(80,887,207.90)</b>	<b>(441,096,764.89)</b>	<b>(6,080,335.80)</b>	<b>3,426,573,584.48</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 8. Inventories (Continued)

##### (2) Provision for decline in value of inventories and impairment of contract performance cost

31 December 2024

Unit: RMB

Items	Opening balance	Provision for the year	Reversal	Decrease during the year/others		Closing balance
				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 cost	-	1,316,487.72	-	-	-	1,316,487.72
<b>Total</b>	<b>2,697,859,797.06</b>	<b>941,750,015.06</b>	<b>(1,805,147.44)</b>	<b>(513,515,795.88)</b>	<b>(11,323,797.50)</b>	<b>3,112,965,071.30</b>

As of 31 December 2025, certain development projects of the Group were completed and transferred from the development costs to products under development. The related provision for impairment of development costs inventories amounting to RMB600,306,775.18 was correspondingly transferred to products under development. Certain products under development were changed in use and reclassified from inventories to investment properties, with the related provision for impairment of inventories amounting to RMB6,080,335.80 being transferred out.

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%). Details of pledge of inventories are set out in Note V. 27.

## Notes to Financial Statements

For the year ended 31 December 2025

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

## 8. Inventories (Continued)

## (3) The breakdown of costs of property development

Unit: RMB

Project name	Time of commencement	Estimated completion time of the next phase	Aggregate investment	31 December 2025	31 December 2024
Beijing - Yu-Dongxu	October 2024	December 2026	8,803,310,000.00	7,531,431,331.95	6,777,481,757.47
Tianjin - Yunzhu Project	March 2018	December 2026	7,516,038,353.37	5,123,378,187.62	5,471,554,695.37
Beijing - Yu-Haiyue	October 2025	November 2027	5,125,058,643.73	3,317,968,881.12	-
Suzhou - Zijinfeili	February 2024	September 2026	4,110,000,000.00	3,423,005,395.48	3,063,327,628.61
Chongqing - Xinduhui	November 2020	June 2029	10,000,000,000.00	3,198,414,242.23	3,100,379,384.65
Beijing - Yu - Xisong	March 2025	December 2026	4,055,860,000.00	3,112,722,749.17	2,701,706,833.34
Tangshan - Mining & Metallurgical Plot A02	May 2022	August 2026	4,444,860,000.00	1,512,005,420.61	2,448,046,714.42
Shanghai - BBMG-Gongyuan Dongxu (金隅·公園东序)	August 2024	August 2026	3,312,085,057.00	2,608,867,095.75	2,285,543,170.39
Tianjin - Branch plant 2 & 3 Commercial	December 2020	December 2026	1,930,000,000.00	546,252,965.90	1,534,565,527.34
Beijing - Huaxi Yunjin	March 2025	May 2027	2,133,860,000.00	1,533,061,736.03	1,196,039,487.81
Tianjin - BBMG Jiapin Mall	April 2019	December 2026	2,439,430,000.00	1,373,215,237.10	1,173,622,291.91
Tangshan - Mining & Metallurgical Plot A03	May 2025	May 2027	1,135,940,000.00	553,654,327.83	126,370,000.00
Tangshan - Qixin Plot C03 Project	January 2026	December 2028	1,000,000,000.00	424,116,664.06	423,934,164.80
Tangshan - Qixin Project	April 2014	July 2026	4,090,794,500.52	347,560,743.10	1,451,737,009.27
Ningbo - Jinjunfu	June 2021	December 2026	248,500,000.00	248,589,493.65	247,200,557.30
Tangshan - Jinyu Lefu	March 2010	December 2026	133,359,762.46	72,764,825.97	68,049,346.59
Qingdao - Treasures Mansion	June 2019	August 2026	2,809,149,428.02	-	2,052,320,938.80
Others				140,434,307.88	5,385,713,875.64
Total				35,067,443,605.45	39,507,593,383.71

# Notes to Financial Statements

For the year ended 31 December 2025

## V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 8. Inventories (Continued)

#### (4) The breakdown of property under development

					Unit: RMB
Project name	Completion date of the latest phase	Opening balance	Increase during the year	Decrease during the year	Closing balance
Beijing - Zhihui Center	June 2023	5,431,135,674.18	-	1,541,289.12	5,429,594,385.06
Beijing - Wangjing Yunshang	April 2025	-	4,359,772,436.69	1,658,913,990.97	2,700,858,445.72
Beijing - Jinlinjiayuan	December 2020	2,506,058,886.91	2,717,922.26	-	2,508,776,809.17
Tianjin - Jinchengfu/Jinchengxifu	September 2025	2,814,089,184.44	1,289,094,227.70	932,318,497.73	3,170,864,914.41
Tianjin - Treasures Mansion	June 2021	2,504,380,253.57	-	334,105,000.86	2,170,275,252.71
Chengdu - Jinchengxifu	December 2022	1,615,620,916.17	-	176,893,674.73	1,438,727,241.44
Ningbo - Jinjunfu	November 2023	1,491,154,304.65	3,366,313.42	9,973,504.03	1,484,547,114.04
Beijing - Shangchengjun	January 2025	985,579,004.67	447,902,750.39	173,018,933.49	1,260,462,821.57
Chongqing - Nanshanjun	June 2024	1,769,779,462.18	-	472,048,599.86	1,297,730,862.32
Qingdao - Treasures Mansion	August 2025	671,162,340.59	2,198,027,468.55	605,686,127.49	2,263,503,681.65
Tangshan - Jinchengfu	August 2025	-	1,356,140,228.50	531,946,222.60	824,194,005.90
Chongqing - Xinduhui	December 2023	947,912,991.79	302,352.19	7,343,267.66	940,872,076.32
Chongqing - Times Metro	December 2023	870,189,527.92	1,342,436.17	-	871,531,964.09
Tianjin - Jinyu Yunzhu	December 2025	398,395,624.76	348,176,507.75	-	746,572,132.51
Changzhou - Zhonglou Tianzhu	March 2025	559,846,389.97	597,871,385.11	500,790,158.04	656,927,617.04
Beijing - Linoleum Factory Project	October 2024	1,143,431,538.91	433,161,061.61	1,576,592,600.52	-
Tangshan - Treasures Mansion	December 2023	555,852,524.84	25,375,134.45	23,921,195.99	557,306,463.30
Beijing - Wangjing Star	December 2023	501,328,038.57	-	-	501,328,038.57
Hefei - Jincheng Mansions	September 2023	493,217,753.17	392,803.64	-	493,610,556.81
Tangshan - Jinhongbao	June 2022	628,620,832.43	903,214.98	220,784,041.62	408,740,005.79
Shanghai - Dachengjun	March 2019	476,090,666.03	-	910,957.75	475,179,708.28
Beijing - Kanghuiyuan	December 2024	714,696,391.79	-	344,350,687.80	370,345,703.99
Beijing - Xishanxia No.1	December 2020	439,432,102.73	-	-	439,432,102.73
Beijing - Jinyu Yunzhu	June 2024	755,957,589.05	-	390,677,924.33	365,279,664.72
Nanjing - Zijingdiyuan	May 2023	347,022,524.78	10,111,000.04	-	357,133,524.82
Ningbo - Dachengjun	September 2021	358,900,561.72	-	-	358,900,561.72
Ningbo - Dacheng Times	June 2019	345,779,640.95	-	43,789,889.15	301,989,751.80
Hefei - Dachengjun	March 2024	322,182,011.40	-	29,066,201.17	293,115,810.23
Beijing - Fengqi Home	November 2023	286,639,495.77	-	10,649,578.17	275,989,917.60
Shanghai - BBMG Bund East Bank	September 2024	316,361,535.53	-	59,890,359.69	256,471,175.84
Hefei - Nanqi Garden	November 2020	204,517,803.37	-	1,791,201.44	202,726,601.93
Tangshan - Qixin 1889 #	January 2015	181,224,206.89	-	-	181,224,206.89
Haikou - Yangguangjun	June 2022	190,103,402.99	-	56,232,543.69	133,870,859.30
Hefei - Shanhu Yunzhu	March 2025	482,638,054.00	17,614,671.71	370,786,958.84	129,465,766.87
Tangshan - Rongda Business Building	December 2023	176,629,278.27	-	-	176,629,278.27
Beijing - Jingang Jiayuan	December 2020	177,190,676.32	-	8,861,500.41	168,329,175.91
Hangzhou - Metro Forest	November 2020	168,798,288.41	-	1,148,416.35	167,649,872.06
Tangshan - Dachengjun	February 2022	174,712,157.11	-	14,592,820.56	160,119,336.55
Chengde - Jinyufu	December 2021	164,243,704.81	-	31,017,812.58	133,225,892.23
Chengdu - Dachengjun	December 2014	154,707,434.73	-	37,766,445.05	116,940,989.68
Others		2,164,904,765.58	1,702,971,422.90	1,085,960,934.60	2,781,915,253.88
Total		34,490,487,541.95	12,795,243,338.06	9,713,371,336.29	37,572,359,543.72

**Notes to Financial Statements**

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)****9. Contract assets****(1) Contract assets**

Contract assets arise mainly from the Group's construction operations. The Group provides construction services in accordance with the construction contract entered into with customers and recognises revenue based on performance progress over the contract period. According to the contract terms, customers of the Group make progress billings with the Group based on the performance progress and make payment for the progress billings within the credit term. Revenue recognised based on performance progress in excess of progress billings is recognized as contract asset while progress billings in excess of revenue recognised based on performance progress is recognized as contract liabilities.

Unit: RMB

Items	31 December 2025			31 December 2024		
	Balance of carrying amount	Provision for impairment	Carrying value	Balance of carrying amount	Provision for impairment	Carrying value
Engineering construction	643,724,238.67	28,819,423.71	614,904,814.96	508,435,804.48	19,194,920.66	489,240,883.82
Others	-	-	-	4,478.00	-	4,478.00
<b>Total</b>	<b>643,724,238.67</b>	<b>28,819,423.71</b>	<b>614,904,814.96</b>	<b>508,440,282.48</b>	<b>19,194,920.66</b>	<b>489,245,361.82</b>

**(2) Disclosure by provision method for impairment of contract assets****31 December 2025**

Unit: RMB

Item	Balance of carrying amount		Provision for impairment		Carrying value
	Amount	Proportion(%)	Amount	Proportion of provision (%)	
Provision for bad debts by credit risk characteristics group	643,724,238.67	100.00	28,819,423.71	4.48	614,904,814.96

**31 December 2024**

Unit: RMB

Item	Balance of carrying amount		Provision for impairment		Carrying value
	Amount	Proportion(%)	Amount	Proportion of provision (%)	
Provision for bad debts by credit risk characteristics group	508,440,282.48	100.00	19,194,920.66	3.78	489,245,361.82

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 9. Contract assets (Continued)

##### (3) Provision for impairment of contract assets

Unit: RMB

Items	Opening balance	Provision for the year	Reversal for the year	Other decrease	Closing balance
2025	19,194,920.66	19,691,661.96	(10,067,158.91)	-	28,819,423.71
2024	13,003,490.98	38,235,909.27	(31,352,415.50)	(692,064.09)	19,194,920.66

#### 10. Non-current assets due within one year

Unit: RMB

Items	31 December 2025	31 December 2024
Debt investment due within one year	1,092,296,240.55	408,020,318.01
Long-term receivables due within one year	630,076,045.09	358,338,051.92
Total	1,722,372,285.64	766,358,369.93

#### 11. Other current assets

Unit: RMB

Items	31 December 2025	31 December 2024
Input tax deductible	4,142,560,012.30	3,755,612,952.36
Prepaid land value-added tax	1,318,320,395.49	1,439,520,636.68
Prepaid other tax	676,880,150.04	601,971,531.54
Input tax certifiable	355,775,731.18	300,147,489.91
Cost of obtaining a contract	118,244,492.54	46,741,406.46
Prepaid enterprise income tax	48,645,042.74	220,322,998.94
Others	1,853,817,438.50	1,647,402,610.63
Total	8,514,243,262.79	8,011,719,626.52

**Notes to Financial Statements**

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)****12. Debt investments**

Unit: RMB

Items	31 December 2025	31 December 2024
Interbank negotiable certificates of deposit	787,524,801.65	293,858,400.00
Trust-based bond investments	335,305,441.72	158,366,029.54
Financial bonds	-	814,566,552.80
Subtotal	1,122,830,243.37	1,266,790,982.34
Less: Debt investment due within one year	1,092,296,240.55	408,020,318.01
Total	30,534,002.82	858,770,664.33

**13. Other debt investments****(1) Disclosure by nature**

Unit: RMB

Items	31 December 2025	31 December 2024
Treasury bonds	359,648,769.23	-
Financial bonds	108,135,573.14	-
Subtotal	467,784,342.37	-
Less: Provision for credit loss	-	-
Total	467,784,342.37	-

**(2) Other debt investments**

Unit: RMB

Items	Opening balance	Costs	Accrued interests	Interest adjustment	Current year and cumulative fair value changes	Closing balance
Treasury bonds	-	350,000,000.00	2,199,392.43	10,052,776.80	(2,603,400.00)	359,648,769.23
Financial bonds	-	105,720,600.00	3,204,983.46	(2,621,510.32)	1,831,500.00	108,135,573.14
Total	-	455,720,600.00	5,404,375.89	7,431,266.48	(771,900.00)	467,784,342.37

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 14. Long-term receivables

Unit: RMB

Items	31 December 2025			31 December 2024			Discount rate range
	Balance of carrying amount	Provision for bad debts	Carrying value	Balance of carrying amount	Provision for bad debts	Carrying value	
Finance lease payment	624,336,754.20	9,034,087.93	615,302,666.27	907,030,170.04	1,307,930.83	905,722,239.21	1.43%-7.42%
Loans to related parties	553,324,913.00	3,656,749.13	549,668,163.87	619,194,917.34	3,656,749.13	615,538,168.21	3.00%-6.00%
Sales of goods by instalments	297,315,579.16	19,519,598.79	277,795,980.37	273,982,074.16	9,282,664.72	264,699,409.44	5.00%
Others	1,866,674.23	-	1,866,674.23	303,936,053.69	-	303,936,053.69	
<b>Total</b>	<b>1,476,843,920.59</b>	<b>32,210,435.85</b>	<b>1,444,633,484.74</b>	<b>2,104,143,215.23</b>	<b>14,247,344.68</b>	<b>2,089,895,870.55</b>	

The time interval between payments from customers and committed ownership transfer of goods in certain contracts regarding the Group's concrete business was more than a year, the receivables of which were presented as long-term receivables after considering the significant financing component. The Group referred to bank loan interest rate during the same period and added a premium for certain risk as a discount rate while measuring the significant financing component. The discount rate was 5% for the year.

Loans to related parties include the loan provided by the Group's subsidiary, BBMG Jiahua Nanjing Real Estate Co., Ltd., to its associate Nanjing Huayu Real Estate Development Co., Ltd., the loan provided by Beijing BBMG Real Estate Development Group Co., Ltd. to Nanjing Huayu Real Estate Development Co., Ltd., both at an interest rate of 3.00%, and the loan provided by Beijing BBMG Real Estate Development Group Co., Ltd. to its associate Beijing Yichang Real Estate Co., Ltd., at an interest rate of 6.00%.

The finance lease business of the Group calculates the discount rate based on the internal rate of return, and the discount rate ranges from 1.43% to 7.42%.

The movements in provision for bad debts of long-term receivables measured based on the lifetime expected credit loss are as follows:

Items	Unit: RMB	
	2025	2024
Opening balance	14,247,344.68	328,748,098.23
Provision for the year	18,130,517.46	1,983,860.66
Reversal for the year	(167,426.29)	(10,404,215.81)
Other decrease	-	(306,080,398.40)
<b>Closing balance</b>	<b>32,210,435.85</b>	<b>14,247,344.68</b>

## Notes to Financial Statements

For the year ended 31 December 2025

## V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 15. Long-term equity investments

2025

Items	Movements during the year										Unit: RMB	
	Opening balance	Increase investment	Decrease investment	Investment profits or losses recognized under the equity method	Other comprehensive income adjustments	Others	Declaration of cash dividends or profit distributions	Provision for impairment	Closing balance	Provision for impairment at the end of the year		Closing net value
<b>Joint ventures</b>												
Jiulong Heidelberg (Jingyang) Cement Co., Ltd.	493,368,301.33	-	-	51,911,426.21	-	(25,119.03)	(63,000,000.00)	-	482,254,608.51	-	482,254,608.51	
Jiulong Heidelberg (Fuling) Cement Co., Ltd.	345,293,614.28	-	-	26,268,415.79	-	(35,192.05)	(44,261,200.00)	-	327,265,638.02	-	327,265,638.02	
Cross Point Trading 274 (Pty) Ltd (RF)	230,083,476.50	-	-	52,946,887.99	10,796,386.30	-	(14,257,429.55)	-	279,469,321.24	-	279,469,321.24	
BBMG Yanke Property Development Co., Ltd.	189,085,613.23	-	-	(19,570.18)	-	-	-	-	189,065,943.05	-	189,065,943.05	
Anshan Jiulong Cement Co., Ltd.	144,001,817.90	-	-	(4,250,993.18)	-	-	-	-	139,710,824.72	-	139,710,824.72	
Tangshan Cardifan Dunstn New Building Material Co., Ltd.	102,133,946.85	-	-	(16,065,615.42)	-	-	-	-	86,048,131.43	-	86,048,131.43	
Dahongmen (Beijing) Construction Development Co., Ltd.	87,297,338.16	-	-	2,723,850.37	-	(90,021,188.53)	-	-	-	-	-	
STAR-USG Building Materials Co., Ltd.	63,875,126.51	-	-	8,956,386.85	-	-	-	-	72,831,513.36	-	72,831,513.36	
Beijing Haiyu Zhixun Real Estate Development Co., Ltd. (北京海潤置業房地產開發有限公司)	19,602,660.98	29,400,000.00	-	137,171.32	-	-	-	-	49,139,832.30	-	49,139,832.30	
Beijing Olyuan Development and Construction Co., Ltd. (北京歐陽開發建設有限公司)	-	44,100,000.00	-	(12,905,495.03)	-	(4,983,453.17)	-	-	26,210,051.80	-	26,210,051.80	
Hebei Xiongan Zhong Technology Co., Ltd.	15,189,228.97	-	-	(776,631.10)	-	-	-	-	14,412,597.87	-	14,412,597.87	
Beijing Baoye Real Estate Development Co., Ltd. (北京保合房地產開發有限公司)	-	5,926,440.00	-	(2,350,842.71)	-	-	-	-	3,575,597.29	-	3,575,597.29	
<b>Subtotal</b>	<b>1,689,931,024.71</b>	<b>79,426,440.00</b>	-	<b>106,413,790.91</b>	<b>10,796,386.30</b>	<b>(95,064,952.78)</b>	<b>(121,518,629.55)</b>	-	<b>1,669,984,059.59</b>	-	<b>1,669,984,059.59</b>	
<b>Associates</b>												
Easyhome New Retail Group Corporation Limited	2,283,820,905.23	-	-	(191,156,071.21)	-	(14,661,371.39)	-	-	2,139,003,062.63	-	2,139,003,062.63	
Beijing Cheiyu Real Estate Development Co., Ltd.	2,125,680,023.20	-	-	(116,874,280.27)	-	-	-	-	2,008,805,742.93	-	2,008,805,742.93	
Beijing Yichang Real Estate Co., Ltd. (北京怡昌置業有限公司)	627,199,867.10	-	-	(12,946,500.10)	-	-	-	-	614,253,067.10	-	614,253,067.10	
Beijing Jizhuo Xingye Real Estate Development Co., Ltd.	714,678,705.58	-	(687,500,000.00)	245,530,897.34	-	-	-	-	582,709,603.92	-	582,709,603.92	
Nanjing Huayu Real Estate Development Co., Ltd. (南京華潤房地產開發有限公司)	496,884,166.70	-	-	(96,594,611.45)	-	-	-	-	398,289,555.25	-	398,289,555.25	

## Notes to Financial Statements

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**15. Long-term equity investments (Continued)**  
**2025 (Continued)**

Items	Movements during the year										Closing net value
	Opening balance	Increase investment	Decrease investment	Investment profits or losses recognized under the equity method	Other comprehensive income adjustments	Others	Declaration of cash dividends or profit distributions	Provision for impairment	Closing balance	Provision for impairment at the end of the year	
Unit: RMB											
<b>Associates (Continued)</b>											
CAIAC BBMG Intelligent Manufacturing Workshop Industrial Park Closed-end Infrastructure Securities Investment Fund (博望金博智造工业产业封闭式基础设施证券投资基金)	-	397,460,000.00	-	13,891,097.59	-	-	(26,020,400.00)	-	385,330,697.59	-	385,330,697.59
Beijing Innovation Industry Investment Co., Ltd.	253,982,993.36	-	-	6,735,978.77	-	2,528,524.09	(2,105,260.00)	-	261,142,236.22	-	261,142,236.22
Tianjin Yaopi Glass Co., Ltd.	161,533,437.26	-	-	11,174,344.66	-	-	-	-	172,707,781.92	-	172,707,781.92
Beijing Zhongtai Jinjian Real Estate Development Co., Ltd. (北京中泰金建房地產開發有限公司)	338,676,231.33	-	(30,600,000.00)	11,247,200.00	-	-	(166,600,000.00)	-	152,725,431.33	-	152,725,431.33
Jilin Changtuo Investment Co., Ltd.	116,876,689.07	-	-	(260,349.73)	-	-	-	-	116,616,339.34	-	116,616,339.34
Tangshan Conch Profiles Co., Ltd.	100,195,136.88	-	-	4,080,996.14	-	-	-	-	104,276,133.02	-	104,276,133.02
Beijing Jinhaiheng Technology Innovation Investment Partnership LLP (北京金海誠創投資合夥企業(有限合夥))	85,707,831.12	-	-	2,439,906.19	-	-	-	-	88,147,437.31	-	88,147,437.31
Too Machinery (Beijing) Company Limited	152,344,457.61	-	-	(73,579,455.29)	-	-	-	-	78,765,002.32	-	78,765,002.32
OCV Reinforcements (Beijing) Co., Ltd.	87,102,135.17	-	-	1,054,207.16	-	-	(23,359,862.55)	-	62,796,479.78	-	62,796,479.78
Zemder (China) Indoor Climate Co., Ltd.	68,437,800.98	-	-	(5,846,591.87)	-	-	-	-	62,789,219.11	-	62,789,219.11
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	20,461,991.86	-	-	(1,241,500.00)	-	-	-	-	19,220,491.86	-	19,220,491.86
Beijing Sinoatate Technology Co., Ltd.	17,457,979.10	-	-	(1,412,712.88)	-	-	(460,000.00)	-	15,585,266.22	-	15,585,266.22
Jibeng Cement-Fuleng Transportation Co., Ltd.	5,894,577.07	-	-	545,271.11	-	(21,692.00)	(451,250.00)	-	5,966,906.18	-	5,966,906.18
Hebei Libotou Green Building Materials Co., Ltd. (河北艾球綠色建材有限公司)	6,238,876.73	-	-	(1,141,843.27)	-	-	-	-	5,097,033.46	-	5,097,033.46
Beijing Jingxi Ecological Cultural Tourism Investment Co., Ltd. (北京西生態文化旅游投資有限公司)	4,714,639.02	-	-	(942,190.68)	-	-	-	-	3,772,448.34	-	3,772,448.34
Tianjin Shengxiong Plastic Pipes Industry Co., Ltd.	31,940,000.00	-	-	-	-	-	-	-	31,940,000.00	(31,940,000.00)	-
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	19,141,121.02	-	-	-	-	-	-	-	19,141,121.02	(19,141,121.02)	-
Zhongjiang Huarui (Tangshan) Real Estate Co., Ltd.	4,981,823.43	-	-	-	-	-	-	-	4,981,823.43	(4,981,823.43)	-
Beijing Jinhaiheng Management Consulting Partnership LLP (北京金海誠管理諮詢合夥企業(有限合夥))	586,173.36	-	-	(686,173.36)	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>7,724,538,665.18</b>	<b>397,460,000.00</b>	<b>(938,100,000.00)</b>	<b>(147,664,471.05)</b>	<b>-</b>	<b>(12,154,539.30)</b>	<b>(220,996,772.55)</b>	<b>-</b>	<b>7,343,062,882.28</b>	<b>(56,062,944.45)</b>	<b>7,286,999,937.83</b>
<b>Total</b>	<b>9,414,469,669.89</b>	<b>476,886,440.00</b>	<b>(938,100,000.00)</b>	<b>(41,270,680.14)</b>	<b>10,796,386.30</b>	<b>(107,219,492.08)</b>	<b>(342,515,402.10)</b>	<b>-</b>	<b>9,013,046,341.87</b>	<b>(56,062,944.45)</b>	<b>8,956,983,397.42</b>

## Notes to Financial Statements

For the year ended 31 December 2025

## V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 15. Long-term equity investments (Continued)

2024

Items	Opening balance	Movements during the year						Closing balance	Balance of provision for impairment at the end of the year	Closing net value
		Increase investment	Decrease investment	Investment profits or losses recognized under the equity method	Other comprehensive income adjustments	Other changes in equity	Declaration of cash dividends or profit distributions			
<b>Joint ventures</b>										
Jidong Heidelberg (Fuleng) Cement Co., Ltd.	350,822,215.87	-	-	42,570,800.63	-	10,597.78	(48,110,000.00)	345,293,614.28	-	345,293,614.28
Jidong Heidelberg (Jingjiang) Cement Co., Ltd.	481,407,391.90	-	-	61,988,652.82	-	2,256.61	(50,000,000.00)	493,388,301.33	-	493,388,301.33
Anshan Jidong Cement Co., Ltd.	154,821,824.48	-	-	(10,820,006.58)	-	-	-	144,001,817.90	-	144,001,817.90
Tangshan Caofeldian Dunshi New Building Material Co., Ltd.	114,478,632.55	-	-	(2,344,705.70)	-	-	-	102,133,946.85	-	102,133,946.85
Cross Point Trading 274 (Pty) Ltd (RF)	239,808,682.30	-	(24,883,311.67)	17,890,573.82	2,858,927.08	3,307,200.49	(9,096,595.52)	230,083,476.50	-	230,083,476.50
Beijing Haiyu Zhixin Real Estate Development Co., Ltd. (北京海運置業發展地產開發有限公司)	-	19,600,000.00	-	2,660.98	-	-	-	19,602,660.98	-	19,602,660.98
Dahongmen (Beijing) Construction Development Co., Ltd.	86,582,234.81	-	-	715,103.35	-	-	-	87,297,338.16	-	87,297,338.16
BBMG Vanke Property Development Co., Ltd.	188,866,113.67	-	-	219,399.56	-	-	-	189,085,513.23	-	189,085,513.23
BBMG TUS Technology Incubator Co., Ltd.	5,337,587.18	-	(5,337,587.18)	-	-	-	-	-	-	-
STARJUSG Building Materials Co., Ltd.	59,211,761.01	-	-	4,663,365.50	-	-	-	63,875,126.51	-	63,875,126.51
Beijing Qijuan Development and Construction Co., Ltd. (北京啟開發展諮詢有限公司)	-	934,470.00	-	(382,769.82)	-	(551,700.18)	-	-	-	-
Hebei Xingnan Zhifeng Technology Co., Ltd.	17,456,905.33	-	-	(2,267,676.36)	-	-	-	15,189,228.97	-	15,189,228.97
<b>Subtotal</b>	<b>1,688,793,369.10</b>	<b>20,534,470.00</b>	<b>(30,020,898.85)</b>	<b>102,205,396.20</b>	<b>2,858,927.08</b>	<b>2,788,354.70</b>	<b>(107,206,595.52)</b>	<b>1,689,931,024.71</b>	<b>-</b>	<b>1,689,931,024.71</b>
<b>Associates</b>										
Jilin Changtutu Investment Co., Ltd.	122,896,105.13	-	-	(6,019,416.06)	-	-	-	116,876,689.07	-	116,876,689.07
Jidong Cement Fuleng Transportation Co., Ltd.	6,330,721.04	-	-	627,862.02	-	4,724.01	(1,069,750.00)	5,894,577.07	-	5,894,577.07
Liaoning Yunding Cement Group Co., Ltd.	3,183,451.20	-	(820,000.00)	(2,188,307.23)	-	(175,143.97)	-	-	-	-
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	24,559,474.54	-	-	(4,097,482.68)	-	-	-	20,461,991.86	-	20,461,991.86

Unit: RMB

## Notes to Financial Statements

For the year ended 31 December 2025

## V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 15. Long-term equity investments (Continued)

2024 (Continued)

Items	Opening balance	Movements during the year			Closing balance	Balance of provision for impairment at the end of the year	Closing net value
		Increase investment	Decrease investment	Investment profits or losses recognized under the equity method			
Unit: RMB							
<b>Associates (Continued)</b>							
Nanjing Huayu Real Estate Development Co., Ltd. (南京華宇房地產開發有限公司)	463,994,483.70	-	-	32,889,680.00	496,884,166.70	-	496,884,166.70
Beijing Jintou Xingye Real Estate Development Co., Ltd.	721,064,266.42	-	-	(6,385,659.84)	714,678,706.58	-	714,678,706.58
Nanjing Huayu Decoration Engineering Co., Ltd. (南京華宇裝飾工程有限公司)	1,000,352.90	-	-	(1,030,852.90)	-	-	-
Beijing Yichang Real Estate Co., Ltd. (北京怡暢置業有限公司)	630,284,720.99	-	-	(3,085,153.89)	627,199,567.10	-	627,199,567.10
Beijing Zhongtai Jintian Real Estate Development Co., Ltd. (北京中泰金建房地產開發有限公司)	27,423,880.77	-	-	311,254,350.56	338,678,231.33	-	338,678,231.33
Beijing Chenyu Real Estate Development Co., Ltd.	2,284,614,954.49	-	-	(188,934,931.29)	2,125,680,023.20	-	2,125,680,023.20
Beijing Sibabai Technology Co., Ltd.	17,789,690.90	-	-	466,336.20	17,457,979.10	-	17,457,979.10
Beijing Jinteacheng Technology Innovation Investment Partnership LLP (北京金誠創投投資合夥企業(有限合夥))	94,214,847.88	-	(5,475,447.66)	5,094,888.50	85,707,631.12	-	85,707,631.12
Beijing Jinteacheng Management Consulting Partnership LLP (北京金誠管理諮詢合夥企業(有限合夥))	586,173.36	-	-	-	586,173.36	-	586,173.36
Beijing Innovation Industry Investment Co., Ltd.	242,482,051.74	-	-	11,500,941.62	253,982,993.36	-	253,982,993.36
Toho Machinery (Beijing) Company Limited	155,462,071.65	-	-	82,385.96	152,344,457.61	-	152,344,457.61
Easylife New Retail Group Corporation Limited	2,231,987,335.85	-	-	90,814,596.65	2,283,820,305.23	-	2,283,820,305.23
Tangshan Conch Profiles Co., Ltd.	113,101,987.41	-	-	(8,906,850.53)	100,195,136.88	-	100,195,136.88
Beijing Jingyi Ecological Cultural Tourism Investment Co., Ltd. (北京京西生態文旅投資有限公司)	6,054,594.98	-	-	(1,339,955.96)	4,714,639.02	-	4,714,639.02
Zemder (China) Indoor Climate Co., Ltd.	72,746,124.96	-	-	(4,308,823.98)	68,437,800.98	-	68,437,800.98
OCV Reinforcements (Beijing) Co., Ltd.	85,515,082.93	-	-	1,887,052.24	87,402,135.17	-	87,402,135.17
Zhongfang Hualu (Tangshan) Real Estate Co., Ltd.	4,981,823.43	-	-	-	4,981,823.43	(4,981,823.43)	-
Hebei Jiabou Green Building Materials Co., Ltd. (河北交拔綠色建材有限公司)	11,512,589.80	-	-	(3,207,077.64)	8,288,878.73	-	8,288,878.73
Tianjin Xingye Longwang Construction Engineering Co., Ltd.	19,141,121.02	-	-	-	19,141,121.02	(19,141,121.02)	-
Tianjin Yaopi Glass Co., Ltd.	153,924,695.85	-	-	7,808,831.41	161,533,437.26	-	161,533,437.26
Tianjin Shengyang Plastic Pipes Industry Co., Ltd.	31,940,000.00	-	-	-	31,940,000.00	(31,940,000.00)	-
Subtotal	7,526,822,472.94	-	(6,295,447.66)	262,453,298.16	7,724,538,665.18	(58,062,944.45)	7,668,475,720.73
Total	9,225,616,842.04	20,584,470.00	(38,316,346.51)	364,658,666.36	9,414,469,889.89	(58,062,944.45)	9,358,406,945.44

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 15. Long-term equity investments (Continued)

Impairment provision for long-term equity investments:

**2025**

Unit: RMB

Items	Opening balance	Increase during the year	Decrease during the year	Closing balance
Tianjin Shengxiang Plastic Pipes Industry Co., Ltd.	31,940,000.00	-	-	31,940,000.00
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	19,141,121.02	-	-	19,141,121.02
Zhongfang Huarui (Tangshan) Real Estate Co., Ltd.	4,981,823.43	-	-	4,981,823.43
<b>Total</b>	<b>56,062,944.45</b>	<b>-</b>	<b>-</b>	<b>56,062,944.45</b>

**2024**

Unit: RMB

Items	Opening balance	Increase during the year	Decrease during the year	Closing balance
Tianjin Shengxiang Plastic Pipes Industry Co., Ltd.	31,940,000.00	-	-	31,940,000.00
Zhongfang Huarui (Tangshan) Real Estate Co., Ltd.	4,981,823.43	-	-	4,981,823.43
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	-	19,141,121.02	-	19,141,121.02
<b>Total</b>	<b>36,921,823.43</b>	<b>19,141,121.02</b>	<b>-</b>	<b>56,062,944.45</b>

#### 16. Investment in other equity instruments

##### (1) Disclosure by nature

Unit: RMB

Items	31 December 2025	31 December 2024
Investments in shares of listed companies	398,814,241.32	405,982,715.50
Other equity investments in non-listed companies	599,596,074.03	248,504,108.06
<b>Total</b>	<b>998,410,315.35</b>	<b>654,486,823.56</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 15. Long-term equity investments (Continued)

##### (2) Investment in other equity instruments

Items	Opening balance	Increase in investment for the current period	Decrease in investment for the current period	Gains included in other comprehensive income for the year	Losses included in other comprehensive income for the year	Closing balance	Gains accumulated in other comprehensive income	Losses accumulated in other comprehensive income	Dividend income for the year	Reason for designating as FVTOCI
Investments in shares of listed companies	405,982,715.50	-	-	5,424,118.40	(12,592,592.58)	398,814,241.32	-	(551,387,585.38)	-	The shareholding percentage is low and does not constitute significant influence, and the investment is not held for sale in the near term
Other equity investments in non-listed companies	248,504,108.06	356,611,704.63	(17,857,317.04)	17,500,067.04	(5,162,488.66)	598,596,074.03	21,494,067.04	(85,018,833.87)	6,628,782.33	The equity is classified as non-trading equity instruments. The shareholding percentage is low and does not constitute significant influence, and the investment is not held for sale in the near term
<b>Total</b>	<b>654,486,823.56</b>	<b>356,611,704.63</b>	<b>(17,857,317.04)</b>	<b>22,924,185.44</b>	<b>(17,755,081.24)</b>	<b>998,410,315.35</b>	<b>21,494,067.04</b>	<b>(636,406,419.25)</b>	<b>6,628,782.33</b>	

As at 31 December 2025, certain other investments in equity instruments of unlisted companies held by the Group were derecognized due to their disposal. The cumulative gains of RMB4,233,075.20 arising from this derecognition was transferred to retained earnings.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 17. Other non-current financial assets

Item	Unit: RMB	
	31 December 2025	31 December 2024
Financial assets at fair value through profit or loss	<b>798,123,889.85</b>	489,561,240.56

#### 18. Investment properties

Fair value model is applied to investment properties of the Group for subsequent measurement:

##### 31 December 2025

Items	Unit: RMB		
	Completed buildings	Buildings in progress	Total
Opening balance	<b>42,922,851,548.85</b>	<b>2,127,266,307.39</b>	<b>45,050,117,856.24</b>
Acquisition for the year	<b>161,129,863.67</b>	<b>678,372,224.81</b>	<b>839,502,088.48</b>
Transfer from inventories/fixed assets/construction in progress	<b>5,353,595,021.45</b>	<b>(2,787,328,126.37)</b>	<b>2,566,266,895.08</b>
Disposal or retirement	<b>(982,802,519.87)</b>	-	<b>(982,802,519.87)</b>
Other decrease	<b>(1,886,247.91)</b>	-	<b>(1,886,247.91)</b>
Changes in fair value	<b>400,804,059.56</b>	-	<b>400,804,059.56</b>
Closing balance	<b>47,853,691,725.75</b>	<b>18,310,405.83</b>	<b>47,872,002,131.58</b>

##### 31 December 2024

Items	Unit: RMB		
	Completed buildings	Buildings in progress	Total
Opening balance	40,685,707,043.91	2,985,547,333.76	43,671,254,377.67
Acquisition for the year	42,501,194.21	796,930,051.89	839,431,246.10
Transfer from inventories/fixed assets/construction in progress	2,826,625,917.46	(1,655,211,078.26)	1,171,414,839.20
Disposal or retirement	(150,865,820.43)	-	(150,865,820.43)
Others	(1,156,799,904.09)	-	(1,156,799,904.09)
Changes in fair value	675,683,117.79	-	675,683,117.79
Closing balance	<b>42,922,851,548.85</b>	<b>2,127,266,307.39</b>	<b>45,050,117,856.24</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 18. Investment properties (Continued)

The following sets out the breakdown of investment properties:

Name of investment properties	Planned or actual use	Unit: RMB	
		Fair value 31 December 2025	Fair value 31 December 2024
Beijing - Phase 2 of Global Trade Center	Office, commercial and parking space	4,669,785,048.94	4,556,785,048.94
Beijing - Phase 1 of Global Trade Center	Office, commercial and parking space	4,005,512,799.49	3,889,512,799.49
Tianjin - Huan Bohai Golden Shore Shopping Mall	Office, commercial and parking space	2,421,320,000.00	2,421,320,000.00
Beijing - Tengda Plaza	Office, commercial and parking space	2,110,000,000.00	2,043,000,000.00
Beijing - Jin Yu Building Tower A	Office, commercial and parking space	1,630,000,000.00	1,628,000,000.00
Beijing - Jin Yu Building Tower B	Office, commercial and parking space	1,585,600,000.00	1,576,600,000.00
Beijing - Phase 3 of Global Trade Center	Office, commercial and parking space	1,469,000,000.00	1,443,000,000.00
Beijing - Phase 1 of High-tech Industrial Park	Office, commercial and parking space	1,122,003,782.66	1,036,447,584.36
Beijing - Beijing Jiapin Mall	Commercial and parking space	1,052,000,000.00	1,008,000,000.00
Beijing - Jianda Building	Office, commercial and parking space	677,000,000.00	669,000,000.00
Beijing - Phase 2 of High-tech Industrial Park	Office, commercial and parking space	560,000,000.00	576,000,000.00
Other properties	Office, commercial, parking space and apartment	26,569,780,500.49	24,202,452,423.45
<b>Total</b>		<b>47,872,002,131.58</b>	<b>45,050,117,856.24</b>

All the above investment properties are located in the PRC and held under operating commercial leases.

The investment properties were valued by an independent valuer with professional qualifications, using future earnings method and market-based approach on an open market and existing use basis.

Details of pledge of investment properties are set out in Note V. 27.

As at 31 December 2025, the carrying amount for investment properties without completing the procedures for the title certificates amounted to RMB964,551,600.00 (2024: RMB791,968,513.05). The Group was in the process of handling the procedures for changing the relevant titles.

**Notes to Financial Statements**

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)****19. Fixed assets****(1) Fixed assets****31 December 2025**

Unit: RMB

Items	Buildings	Machinery and equipment	Transportation equipment	Office and other equipment	Total
<b>Cost</b>					
Opening balance	40,871,060,444.74	36,378,752,153.25	386,191,821.81	1,334,276,463.83	78,970,280,883.63
Purchase	142,091,090.94	342,447,012.51	116,555,435.43	69,132,557.20	670,226,096.08
Transfer from construction in progress	497,157,454.18	972,929,305.13	4,564,176.14	52,161,514.42	1,526,812,449.87
Business combinations not under common control	668,058,534.28	408,781,216.04	30,521,985.53	10,427,340.69	1,117,789,076.54
Disposal or retirement	(296,708,064.15)	(979,288,450.02)	(124,581,545.80)	(73,698,532.98)	(1,474,276,592.95)
Transfer to investment properties	(1,808,402,498.80)	-	-	-	(1,808,402,498.80)
Closing balance	40,073,256,961.19	37,123,621,236.91	413,251,873.11	1,392,299,343.16	79,002,429,414.37
<b>Accumulated depreciation</b>					
Opening balance	12,595,978,470.43	19,270,595,962.57	108,327,513.75	808,167,691.57	32,783,069,638.32
Provision	1,523,210,958.97	2,005,625,165.72	139,118,618.69	156,741,702.03	3,824,696,445.41
Disposal or retirement	(167,908,901.66)	(585,772,857.00)	(100,081,391.30)	(34,219,699.36)	(887,982,849.32)
Transfer to investment properties	(406,952,906.37)	-	-	-	(406,952,906.37)
Closing balance	13,544,327,621.37	20,690,448,271.29	147,364,741.14	930,689,694.24	35,312,830,328.04
<b>Provision for impairment</b>					
Opening balance	552,361,517.56	398,895,562.96	897,439.14	1,494,372.31	953,648,891.97
Provision	475,119,353.70	196,125,020.23	89,097.28	1,191,439.75	672,524,910.96
Disposal or retirement	(84,598,817.53)	(72,749,776.71)	(490,579.15)	(1,018,920.35)	(158,858,093.74)
Closing balance	942,882,053.73	522,270,806.48	495,957.27	1,666,891.71	1,467,315,709.19
<b>Carrying value</b>					
At the end of the year	25,586,047,286.09	15,910,902,159.14	265,391,174.70	459,942,757.21	42,222,283,377.14
At the beginning of the year	27,722,720,456.75	16,709,260,627.72	276,966,868.92	524,614,399.95	45,233,562,353.34

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 19. Fixed assets (Continued)

##### (1) Fixed assets (Continued)

31 December 2024

Items	Unit: RMB				
	Buildings	Machinery and equipment	Transportation equipment	Office and other equipment	Total
<b>Cost</b>					
Opening balance	37,882,345,375.29	34,678,801,349.68	497,375,105.89	1,207,507,948.90	74,266,029,779.76
Purchase	110,639,985.28	290,222,895.86	129,042,533.89	80,764,736.99	610,670,152.02
Transfer from construction in progress	786,438,868.78	1,523,394,570.58	11,950,426.87	82,507,285.79	2,404,291,152.02
Business combinations not under common control	1,398,711,248.51	320,106,296.57	4,989,641.58	5,663,399.67	1,729,470,586.33
Others	1,046,160,213.38	(9,960,933.69)	(17,116.96)	(2,456,273.99)	1,033,725,888.74
Disposal or retirement	(266,286,371.28)	(373,376,661.94)	(236,316,435.21)	(36,666,582.62)	(912,646,051.05)
Disposal of subsidiaries	(86,948,875.22)	(50,435,363.81)	(20,832,334.25)	(3,044,050.91)	(161,260,624.19)
Closing balance	40,871,060,444.74	36,378,752,153.25	386,191,821.81	1,334,276,463.83	78,970,280,883.63
<b>Accumulated depreciation</b>					
Opening balance	11,366,737,233.27	17,148,390,855.01	205,546,685.08	696,683,200.02	29,417,357,973.38
Provision	1,461,184,937.70	2,458,694,138.81	131,581,944.96	150,387,377.69	4,201,848,399.16
Others	(60,975,535.53)	(7,017,641.42)	(253,949.12)	(2,363,975.64)	(70,611,101.71)
Disposal or retirement	(138,520,368.16)	(297,072,885.01)	(209,426,601.10)	(34,099,286.56)	(679,119,140.83)
Disposal of subsidiaries	(32,447,796.85)	(32,398,504.82)	(19,120,566.07)	(2,439,623.94)	(86,406,491.68)
Closing balance	12,595,978,470.43	19,270,595,962.57	108,327,513.75	808,167,691.57	32,783,069,638.32
<b>Provision for impairment</b>					
Opening balance	420,245,759.23	338,976,852.15	7,459,974.32	1,701,805.52	768,384,391.22
Provision	143,319,457.05	86,223,297.85	161,847.84	-	229,704,602.74
Others	(443,172.71)	-	(184,359.36)	(9,778.36)	(637,310.43)
Disposal or retirement	(9,365,974.40)	(24,907,653.47)	(6,248,006.16)	(120,648.62)	(40,642,282.65)
Disposal of subsidiaries	(1,394,551.61)	(1,396,933.57)	(292,017.50)	(77,006.23)	(3,160,508.91)
Closing balance	552,361,517.56	398,895,562.96	897,439.14	1,494,372.31	953,648,891.97
<b>Carrying value</b>					
At the end of the year	27,722,720,456.75	16,709,260,627.72	276,966,868.92	524,614,399.95	45,233,562,353.34
At the beginning of the year	26,095,362,382.79	17,191,433,642.52	284,368,446.49	509,122,943.36	44,080,287,415.16

## Notes to Financial Statements

For the year ended 31 December 2025

### **V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

#### **19. Fixed assets (Continued)**

(2) *Fixed assets that are temporarily idle*

As at 31 December 2025, the carrying amount for fixed assets that are temporarily idle of the Group amounted to RMB75,883,708.87 (31 December 2024: RMB64,674,851.74).

(3) *Fixed assets leased under operating leases*

As at 31 December 2025, the carrying amount for fixed assets leased under operating leases of the Group amounted to RMB148,481,756.53 (31 December 2024: RMB160,678,185.55).

(4) *Fixed assets without completing the procedures for the title certificates*

As at 31 December 2025, the carrying amount for fixed assets without completing the procedures for the title certificates amounted to RMB659,220,384.00 (31 December 2024: RMB1,419,726,525.64). The Group was in the process of handling the procedures for changing the relevant titles. The management was of the view that the Group had the legitimate and valid right to occupy and use or dispose of the above fixed assets and the above matters would not impose material adverse effect on the operations of the Group.

Details of pledge of fixed assets are set out in Note V. 27.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 19. Fixed assets (Continued)

##### (5) Impairment tests for fixed assets

The recoverable amount is determined based on the net amount of fair value less disposal costs:

Unit: RMB

Items	Carrying value	Recoverable amount	Impairment amount	Determination of fair value and disposal costs	Key parameters	Determination basis for key parameters
Tianjin Stone Mine Co., Ltd. (Note 1)	1,355,073,537.58	1,799,300,897.89	-	Comparable selling price	Land acquisition and storage unit price	Comparable land acquisition and storage prices in the vicinity
Tianjin Tiancai New Industry Assets Management Co., Ltd. (Note 2)	395,942,335.39	2,247,791,764.99	-	Comparable selling price	Land acquisition and storage unit price	Comparable land acquisition and storage prices in the vicinity
Tianjin Longda Health Consulting Services Co., Ltd. (天津市龍達健康諮詢服務有限公司) (Note 3)	113,042,696.48	113,575,585.00	-	Comparable selling price	Land acquisition and storage unit price	Comparable land acquisition and storage prices in the vicinity
Handan BBMG Taihang Cement Co., Ltd.	11,459,951.73	997,650.00	10,462,301.73	Fair value is determined using the market approach, and disposal costs are expenses related to disposing of the asset	Asset disposal price, disposal costs	Asset disposal price is based on market prices; disposal costs include direct expenses incurred to make the asset saleable
BBMG Beishui Environmental Protection Technology Co., Ltd.	36,752,342.74	1,705,879.70	35,046,463.04			
Beijing BBMG Liushui Environmental Protection Technology Co., Ltd. (北京金隅水環保科技有限公司)	54,143,545.11	3,678,556.73	50,464,988.38			
Hebei BBMG Dingxin Cement Co., Ltd. (河北金隅鼎鑫水泥有限公司) (Note 6)	39,488,830.58	8,473,812.79	31,015,017.79			
Inner Mongolia Jidong Cement Co., Ltd. (內蒙古冀東水泥有限責任公司)	29,024,901.48	16,314,520.35	12,710,381.13			
Clinker equipment asset group of Lingshou Branch of Hebei BBMG Dingxin Cement Co., Ltd. (河北金隅鼎鑫水泥有限公司靈壽分公司熟料設備資產組)	19,680,760.71	2,460,500.48	17,220,260.23			
Qinyang BBMG Jidong Environmental Protection Technology Co., Ltd. (沁陽金隅冀東保科技有限公司)	98,059,353.70	10,989,795.21	87,069,558.49			
Xingtai BBMG Yongning Cement Co., Ltd. (邢臺金隅詠寧水泥有限公司)	17,980,315.30	3,850,000.00	14,130,315.30			
Zhangjiakou Jidong Cement Co., Ltd. (張家口冀東水泥有限責任公司)	66,300,668.54	11,345,227.59	54,955,440.95			
Ningjin County BBMG Jidong Cement Co., Ltd. (寧晉縣金隅冀東水泥有限公司)	11,683,342.14	2,188,101.77	9,495,240.37			
<b>Total</b>	<b>2,248,632,581.48</b>	<b>4,222,672,292.50</b>	<b>322,569,967.41</b>	/	/	/

Note 1: The carrying value of Tianjin Stone Mine Co., Ltd. includes carrying value of fixed assets of RMB6,495,225.62 and carrying value of intangible assets of RMB1,348,578,311.96.

Note 2: The carrying value of Tianjin Tiancai New Industry Assets Management Co., Ltd. includes carrying value of fixed assets of RMB27,605,793.53 and carrying value of intangible assets of RMB368,336,541.86.

Note 3: The carrying value of Tianjin Longda Health Consulting Services Co., Ltd. (天津市龍達健康諮詢服務有限公司) includes carrying value of fixed assets of RMB40,421,637.91 and carrying value of intangible assets of RMB72,621,058.57.

## Notes to Financial Statements

For the year ended 31 December 2025

## V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 19. Fixed assets (Continued)

#### (5) Impairment tests for fixed assets (Continued)

The recoverable amount is determined based on the present value of estimated future cash flows:

Items	Carrying value	Recoverable amount	Impairment amount	Term of the forecast period	Key parameters for the forecast period	Determination basis for key parameters for the forecast period	Key parameters for the stable period	Unit: RMB
								Determination basis for key parameters during the stable period
Jinyu Thermal Processing Tangshan Co., Ltd. (Note 1)	619,961,311.13	620,915,204.08	-	5 years	Revenue growth rate, gross profit margin	Determined with reference to the products operated, market conditions, and industry circumstances of the enterprise.	Discount rate	Weighted average cost of assets
Tangshan Jidong Development Machinery and Equipment Manufacturing Co., Ltd. (Note 2)	773,557,184.27	885,745,724.18	-	5 years	Revenue growth rate, gross profit margin			
Xuanhua BBMG Cement Co., Ltd.	266,019,568.42	146,547,705.58	119,471,862.84	5 years	Revenue growth rate, gross profit margin			
Changli Jidong Cement Co., Ltd. (昌黎冀東水泥有限公司)	337,731,132.14	188,580,033.24	149,151,098.90	5 years	Revenue growth rate, gross profit margin			
Lingshou Branch of Hebei BBMG Dingxin Cement Co., Ltd. (河北金隅鼎鑫水泥有限公司靈壽分公司)	373,629,755.77	324,522,148.73	49,107,607.04	5 years	Revenue growth rate, gross profit margin			
<b>Total</b>	<b>2,370,898,951.73</b>	<b>2,166,310,815.81</b>	<b>317,730,568.78</b>	<b>/</b>	<b>/</b>	<b>/</b>	<b>/</b>	<b>/</b>

Note 1: The carrying value of Jinyu Thermal Processing Tangshan Co., Ltd. includes carrying value of fixed assets of RMB540,963,593.52, carrying value of construction in progress of RMB3,331,515.40, carrying value of intangible assets of RMB72,036,003.72 and long-term deferred expenditures of RMB3,630,198.49.

Note 2: The carrying value of Tangshan Jidong Development Machinery and Equipment Manufacturing Co., Ltd. includes carrying value of fixed assets of RMB711,421,722.35, carrying value of intangible assets of RMB57,454,846.25 and carrying value of construction in progress of RMB4,680,615.67.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 20. Construction in progress

Items	Unit: RMB	
	31 December 2025	31 December 2024
Construction in progress	2,004,769,550.82	1,984,120,538.57
Construction materials	29,942,777.90	19,263,373.00
<b>Total</b>	<b>2,034,712,328.72</b>	<b>2,003,383,911.57</b>

##### (1) Construction in progress

Items	31 December 2025			31 December 2024		
	Balance of carrying amount	Provision for impairment	Carrying value	Balance of carrying amount	Provision for impairment	Carrying value
400,000 t/a metallurgical solid waste graded resource comprehensive utilization project of Qian'an BBMG	198,507,180.20	-	198,507,180.20	2,033,103.14	-	2,033,103.14
Carbon dioxide capture, storage and resource utilization technology demonstration project of Beishui Environmental Protection	160,344,348.00	-	160,344,348.00	151,400,591.09	-	151,400,591.09
New alkyl amine and modern green materials industrialization project of Energy Saving Technology (Tianjin)	158,980,876.83	-	158,980,876.83	122,059,342.92	-	122,059,342.92
Caofeidian new wind power project of Huahai Wind Power	137,924,890.33	-	137,924,890.33	109,604,846.47	-	109,604,846.47
Renovation project of Tiantan Furniture Building Materials Trading Tower	95,971,801.72	-	95,971,801.72	-	-	-
Equipment modification and installation of Cangzhou Chemical	87,341,240.64	-	87,341,240.64	82,736,812.33	-	82,736,812.33
Inorganic refractory new materials project with annual output of 3 million square meters of Energy-Saving Materials & Technology	83,837,631.15	-	83,837,631.15	38,718,492.60	-	38,718,492.60
Daixian Company Open-pit Limestone Mine Construction Project	74,488,853.94	-	74,488,853.94	16,047,489.48	-	16,047,489.48
Filter sheet production capacity expansion project of Beijing Sanchong Mirror	68,897,963.56	-	68,897,963.56	-	-	-
Float coal shed of Inner Mongolia Dunshi	68,091,117.81	-	68,091,117.81	13,807,206.41	-	13,807,206.41
Office building and plant construction project of Fujian Hangjia	56,735,943.74	-	56,735,943.74	55,562,422.12	-	55,562,422.12
Production base with annual output of 800,000 cubic meters of aerated concrete panels and prefabricated building components of Hunan Hangjia	21,016,630.46	-	21,016,630.46	158,331,329.83	-	158,331,329.83
Construction materials	33,555,920.01	3,613,142.11	29,942,777.90	22,590,846.78	3,327,473.78	19,263,373.00
Others	897,949,333.19	105,318,260.75	792,631,072.44	1,363,537,063.54	129,718,161.36	1,233,818,902.18
<b>Total</b>	<b>2,143,643,731.58</b>	<b>108,931,402.86</b>	<b>2,034,712,328.72</b>	<b>2,136,429,546.71</b>	<b>133,045,635.14</b>	<b>2,003,383,911.57</b>

Note: "Others" mainly comprises small-scale projects such as production lines and plant construction for the Group's cement and new building materials businesses.

**Notes to Financial Statements**

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)****20. Construction in progress (Continued)****(1) Construction in progress (Continued)**

Changes of major construction in progress in 2025 are as below:

Unit: RMB

Items	Budget (RMB'0'000)	Opening balance	Increase during the year	Transferred to fixed assets in the year	Other decrease	Closing balance	Source of funding	Percentage of project accumulated investment in budget (%)
400,000 t/a metallurgical solid waste graded resource comprehensive utilization project of Qian'an BBMG	23,942.00	2,033,103.14	196,474,077.06	-	-	198,507,180.20	Self-financing	83.00
Carbon dioxide capture, storage and resource utilization technology demonstration project of Beishui Environmental Protection	18,333.00	151,400,591.09	8,943,756.91	-	-	160,344,348.00	Borrowing	87.00
New alkyl amine and modern green materials industrialization project of Energy Saving Technology (Tianjin)	25,441.00	122,059,342.92	36,921,533.91	-	-	158,980,876.83	Borrowing	62.00
Caofeidian new wind power project of Huahai Wind Power	186,100.00	109,604,846.47	28,320,043.86	-	-	137,924,890.33	Self-financing	7.41
Renovation project of Tiantan Furniture Building Materials Trading Tower	11,771.00	-	95,971,801.72	-	-	95,971,801.72	Self-financing	81.53
Equipment modification and installation of Cangzhou Chemical	8,800.00	82,736,812.33	5,488,914.10	(884,485.79)	-	87,341,240.64	Self-financing and borrowing	99.00
Inorganic refractory new materials project with annual output of 3 million square meters of Energy-Saving Materials & Technology	8,394.88	38,718,492.60	45,119,138.55	-	-	83,837,631.15	Self-financing	99.87
Daixian Company Open-pit Limestone Mine Construction Project	9,463.26	16,047,489.48	58,441,364.46	-	-	74,488,853.94	Self-financing	78.71
Filter sheet production capacity expansion project of Beijing Sanchong Mirror	14,301.82	-	68,897,963.56	-	-	68,897,963.56	Self-financing	48.17
Float coal shed of Inner Mongolia Dunshi	7,250.82	13,807,206.41	54,283,911.40	-	-	68,091,117.81	Self-financing	93.91
Office building and plant construction project of Fujian Hangjia	45,000.00	55,562,422.12	1,173,521.62	-	-	56,735,943.74	Self-financing	12.61
Production base with annual output of 800,000 cubic meters of aerated concrete panels and prefabricated building components of Hunan Hangjia	32,000.00	158,331,329.83	17,275,980.48	(154,590,679.85)	-	21,016,630.46	Self-financing	70.10
Cement kiln co-processing hazardous waste project of Bishan Company	6,890.00	62,524,732.09	1,089,701.57	(63,614,433.66)	-	-	Self-financing	92.00
Aggregate manufactured sand production line project of Inner Mongolia Company	6,040.00	53,570,765.86	3,693,324.66	(57,264,090.52)	-	-	Borrowing	95.00
Energy saving and carbon reduction renovation project for production line 1 of Tangshan Branch No. 1 Plant, Jidong Cement	7,101.33	-	66,661,898.29	(66,661,898.29)	-	-	Self-financing	94.00

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 20. Construction in progress (Continued)

##### (1) Construction in progress (Continued)

Changes of major construction in progress in 2024 are as below:

Unit: RMB

Items	Budget (RMB'000)	Opening balance	Increase during the year	Transferred to fixed assets in the year	Other decrease	Closing balance	Source of funding	Percentage of project accumulated investment in budget (%)
Resort Upgrade and Renovation of Badaling Hot Spring	73,000.00	3,535,582.11	20,973,006.70	(13,676,726.03)	(10,831,862.78)	-	Self-financing	3.36
Construction project of plants in Glass Cultural and Creative Industrial Park	12,000.00	100,446,394.60	-	(100,446,394.60)	-	-	Self-financing	83.71
Caofeidian new wind power project of Huahai Wind Power	186,100.00	109,936,817.07	-	-	(331,970.60)	109,604,846.47	Self-financing	5.89
Research and development building of Tianjin Tiancai Construction Investment	16,755.86	33,436,648.68	-	-	-	33,436,648.68	Borrowing	19.96
Demonstration project of annual output of 1.2 million tonnes cement grinding in Xingtai Niushan Company	12,415.00	78,209,557.92	39,543,793.06	(94,685,297.75)	(23,068,053.23)	-	Self-financing and borrowing	94.85
Mortar project of Pinggu Cement	19,017.92	160,118,279.58	11,942,828.55	(172,061,108.13)	-	-	Self-financing and borrowing	90.47
Digital chain project of Pinggu Cement	33,126.69	326,205,245.06	6,893,662.59	(29,675,830.17)	(303,423,077.48)	-	Self-financing and borrowing	100.55
Carbon dioxide capture, storage and resource utilization technology demonstration project of Beishui Environmental Protection	18,333.00	103,448,398.66	47,952,192.43	-	-	151,400,591.09	Self-financing and borrowing	82.58
Second line cement clinker kiln upgrade project for extended supply chain equipment of Tangshan Cement	19,344.00	89,086,030.94	62,816,915.20	(131,833,116.33)	(2,630,081.00)	17,439,748.81	Self-financing	78.53
Aerated concrete infrastructure project of Shaanxi BBMG	39,037.00	120,666,947.92	1,560,492.74	(122,227,440.66)	-	-	Self-financing	31.31
Stone wool production line project with annual output of 40,000 tonnes of Shaanxi BBMG	22,308.30	101,638,549.99	-	(101,638,549.99)	-	-	Self-financing and borrowing	45.56
New alkyl amine and modern green materials industrialization project of Energy Saving Technology (Tianjin)	25,441.00	968,030.52	121,091,312.40	-	-	122,059,342.92	Self-financing	47.98
Production base with annual output of 800,000 cubic meters of aerated concrete panels and prefabricated building components of Hunan Hangjia	32,000.00	-	158,331,329.83	-	-	158,331,329.83	Self-financing and borrowing	68.84

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 20. Construction in progress (Continued)

##### (1) Construction in progress (Continued)

The analysis of capitalized amount and capitalization rate of borrowing costs included in balances for construction in progress is set out below:

2025

Unit: RMB

Items	Progress of works (%)	Accumulated amount of capitalized interest	Including: capitalized interest for the year	Capitalization rate of interest for the year (%)
Carbon dioxide capture, storage and resource utilization technology demonstration project of Beishui Environmental Protection	87.00	4,861,714.55	1,608,658.83	1.95
Equipment modification and installation of Cangzhou Chemical	99.00	881,200.00	376,960.00	2.48
New alkyl amine and modern green materials industrialization project of Energy Saving Technology (Tianjin)	62.00	3,097,578.79	2,700,368.77	2.40
Total		8,840,493.34	4,685,987.60	

Note: The amount of capitalized interests included in construction in progress for the year was RMB4,685,987.60 (2024: RMB6,358,691.32) and the amount of capitalized interests transferred to fixed assets was RMB34,253,993.66 (2024: RMB54,726,714.34).

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 20. Construction in progress (Continued)

##### (1) Construction in progress (Continued)

2024

Items	Progress of works (%)	Accumulated amount of capitalized interest	Including: capitalized interest for the year	Unit: RMB
				Capitalization rate of interest for the year (%)
Carbon dioxide capture, storage and resource utilization technology demonstration project of Beishui Environmental Protection	83.00	3,253,055.72	2,048,041.86	2.55
Vanadium powder production line project with annual output of 1 million tonnes of Chengde Chengjin Environmental Protection Technology Co., Ltd.	100.00	1,732,745.75	1,732,745.75	3.59
Mine safety governance and work and production resumption project of Huailai Jinyuan Mining	100.00	1,126,972.21	792,263.89	2.74
4500t/d clinker cement production line project in new building materials industrial park	100.00	28,692,460.96	122,444.44	1.42
Comprehensive utilization construction project of fly ash storage and deep processing	100.00	2,718,069.36	777,999.98	3.48
Equipment modification and installation of Cangzhou Chemical	96.00	504,240.00	504,240.00	2.76
Others	-	380,955.40	380,955.40	-
<b>Total</b>		<b>38,408,499.40</b>	<b>6,358,691.32</b>	

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 20. Construction in progress (Continued)

##### (1) Construction in progress (Continued)

Provision for impairment of construction in progress for 2025:

Unit: RMB

Items	Opening balance	Increase during the year	Decrease during the year	Closing balance
Nanhu Yingbinguan of Jidong Group	64,427,106.25	-	-	64,427,106.25
Caofeidian Industrial Park of Jidong Group	8,459,717.49	-	-	8,459,717.49
Tongchuan Conveyor Belt Project of Jidong Cement	28,893,452.21	-	-	28,893,452.21
Technical transformation of south-side production line for modern building materials	6,837,319.75	-	(6,837,319.75)	-
Technical transformation of old production line for modern building materials	12,984,411.26	-	(12,984,411.26)	-
Others	8,116,154.40	1,400.00	(4,579,569.60)	3,537,984.80
Construction materials	3,327,473.78	2,113,302.85	(1,827,634.52)	3,613,142.11
<b>Total</b>	<b>133,045,635.14</b>	<b>2,114,702.85</b>	<b>(26,228,935.13)</b>	<b>108,931,402.86</b>

Provision for impairment of construction in progress for 2024:

Unit: RMB

Items	Opening balance	Increase during the year	Decrease during the year	Closing balance
Nanhu Yingbinguan of Jidong Group	64,378,932.25	48,174.00	-	64,427,106.25
Caofeidian Industrial Park of Jidong Group	8,459,717.49	-	-	8,459,717.49
Tongchuan Conveyor Belt Project of Jidong Cement	28,893,452.21	-	-	28,893,452.21
Others	27,938,322.10	23,306.23	(23,742.92)	27,937,885.41
Construction materials	3,450,512.07	-	(123,038.29)	3,327,473.78
<b>Total</b>	<b>133,120,936.12</b>	<b>71,480.23</b>	<b>(146,781.21)</b>	<b>133,045,635.14</b>

Note: The reason for the impairment provision for the above projects is due to the suspension of construction of such projects.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 21. Right-of-use assets

31 December 2025

Unit: RMB

Items	Lands	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Total
Cost						
Opening balance	820,917,967.15	868,205,253.43	29,620,871.21	505,090.05	21,211,535.40	1,740,460,717.24
Increase	32,244,566.72	75,845,353.52	52,886,858.95	3,605,741.52	5,643,755.66	170,226,276.37
Decrease	-	(93,687,304.43)	(7,922,013.83)	-	-	(101,609,318.26)
Closing balance	853,162,533.87	850,363,302.52	74,585,716.33	4,110,831.57	26,855,291.06	1,809,077,675.35
Accumulated depreciation						
Opening balance	240,346,046.28	525,459,060.19	18,261,341.43	290,035.75	8,930,313.54	793,286,797.19
Provision	51,040,126.39	126,267,316.79	10,067,047.88	1,291,833.84	2,681,326.55	191,347,651.45
Decrease	-	(56,762,196.45)	(6,380,593.17)	-	-	(63,142,789.62)
Closing balance	291,386,172.67	594,964,180.53	21,947,796.14	1,581,869.59	11,611,640.09	921,491,659.02
Provision for impairment						
Opening and closing balance	464,557.00	-	-	-	-	464,557.00
Carrying value						
At the end of the year	561,311,804.20	255,399,121.99	52,637,920.19	2,528,961.98	15,243,650.97	887,121,459.33
At the beginning of the year	580,107,363.87	342,746,193.24	11,359,529.78	215,054.30	12,281,221.86	946,709,363.05

**Notes to Financial Statements**

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)****21. Right-of-use assets**

31 December 2024

Unit: RMB

Items	Lands	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Total
<b>Cost</b>						
Opening balance	795,729,879.65	776,181,193.39	29,620,871.21	977,286.90	21,211,535.40	1,623,720,766.55
Increase	38,567,139.98	236,292,438.94	-	234,604.64	-	275,094,183.56
Decrease	(13,379,052.48)	(144,268,378.90)	-	(706,801.49)	-	(158,354,232.87)
Closing balance	820,917,967.15	868,205,253.43	29,620,871.21	505,090.05	21,211,535.40	1,740,460,717.24
<b>Accumulated depreciation</b>						
Opening balance	190,774,952.00	431,871,143.50	13,559,777.43	746,938.91	8,930,313.54	645,883,125.38
Provision	60,780,554.21	135,815,294.52	4,701,564.00	249,898.33	-	201,547,311.06
Decrease	(11,209,459.93)	(42,227,377.83)	-	(706,801.49)	-	(54,143,639.25)
Closing balance	240,346,046.28	525,459,060.19	18,261,341.43	290,035.75	8,930,313.54	793,286,797.19
<b>Provision for impairment</b>						
Opening and closing balance	464,557.00	-	-	-	-	464,557.00
<b>Carrying value</b>						
At the end of the year	580,107,363.87	342,746,193.24	11,359,529.78	215,054.30	12,281,221.86	946,709,363.05
At the beginning of the year	604,490,370.65	344,310,049.89	16,061,093.78	230,347.99	12,281,221.86	977,373,084.17

# Notes to Financial Statements

For the year ended 31 December 2025

## V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 22. Intangible assets

31 December 2025

Unit: RMB

Items	Land use rights	Software use rights	Mining rights	Trademark rights	Data resources	Others	Total
<b>Cost</b>							
Opening balance	15,553,707,512.44	744,941,987.66	4,668,805,367.70	89,167,990.27	-	305,576,431.19	21,362,199,289.26
Purchase	18,933,723.01	99,057,519.21	118,320,756.10	1,993,028.62	-	8,696,336.97	247,001,363.91
In-house R&D	-	-	-	-	536,049.55	-	536,049.55
Business combinations not under common control	192,368,348.67	61,911.17	748,166,677.92	540,300.00	-	13,860,255.73	954,997,493.49
Disposal	(114,242,206.90)	(1,227,585.46)	-	-	-	(49,809,282.55)	(165,279,074.91)
Closing balance	15,650,767,377.22	842,833,832.58	5,535,292,801.72	91,701,318.89	536,049.55	278,323,741.34	22,399,455,121.30
<b>Accumulated amortization</b>							
Opening balance	3,081,528,927.54	433,043,513.51	1,240,910,922.42	20,485,937.75	-	141,677,510.33	4,917,646,811.55
Provision	359,482,352.81	121,121,580.72	152,966,511.71	8,504,856.25	80,407.43	4,206,448.90	646,362,157.82
Disposal	(39,043,900.06)	(131,280.91)	-	-	-	(10,543,562.16)	(49,718,743.13)
Closing balance	3,401,967,380.29	554,033,813.32	1,393,877,434.13	28,990,794.00	80,407.43	135,340,397.07	5,514,290,226.24
<b>Provision for impairment</b>							
Opening and closing balance	32,074,445.75	-	130,098,195.50	5,000,000.00	-	5,717,504.26	172,890,145.51
<b>Carrying value</b>							
At the end of the year	12,216,725,551.18	288,800,019.26	4,011,317,172.09	57,710,524.89	455,642.12	137,265,840.01	16,712,274,749.55
At the beginning of the year	12,440,104,139.15	311,898,474.15	3,297,796,249.78	63,682,052.52	-	158,181,416.60	16,271,662,332.20

31 December 2024

Unit: RMB

Items	Land use rights	Software use rights	Mining rights	Trademark rights	Others	Total
<b>Cost</b>						
Opening balance	15,296,935,509.86	650,946,990.01	4,416,986,004.10	84,329,478.76	289,646,297.45	20,738,844,280.18
Purchase	82,381,750.15	103,764,851.61	76,638,181.69	4,838,511.51	15,930,133.74	283,553,428.70
Business combinations not under common control	503,410,175.36	942,144.43	175,181,181.91	-	-	679,533,501.70
Disposal	(323,391,525.97)	(1,516,108.57)	-	-	-	(324,907,634.54)
Other decrease	(5,628,396.96)	(9,195,889.82)	-	-	-	(14,824,286.78)
Closing balance	15,553,707,512.44	744,941,987.66	4,668,805,367.70	89,167,990.27	305,576,431.19	21,362,199,289.26
<b>Accumulated amortization</b>						
Opening balance	2,789,828,552.24	346,001,235.70	1,108,402,783.55	14,861,952.88	136,838,646.92	4,395,933,171.29
Provision	343,074,035.92	90,725,087.05	132,508,138.87	5,623,984.87	4,838,863.41	576,770,110.12
Disposal	(49,021,255.31)	(1,454,347.89)	-	-	-	(50,475,603.20)
Other decreases	(2,352,405.31)	(2,228,461.35)	-	-	-	(4,580,866.66)
Closing balance	3,081,528,927.54	433,043,513.51	1,240,910,922.42	20,485,937.75	141,677,510.33	4,917,646,811.55
<b>Provision for impairment</b>						
Opening and closing balance	32,074,445.75	-	130,098,195.50	5,000,000.00	5,717,504.26	172,890,145.51
<b>Carrying value</b>						
At the end of the year	12,440,104,139.15	311,898,474.15	3,297,796,249.78	63,682,052.52	158,181,416.60	16,271,662,332.20
At the beginning of the year	12,475,032,511.87	304,945,754.31	3,178,485,025.05	64,467,525.88	147,090,146.27	16,170,020,963.38

## Notes to Financial Statements

For the year ended 31 December 2025

### **V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

#### **22. Intangible assets (Continued)**

As at 31 December 2025, for the impairment testing of intangible assets of Tianjin Stone Mine Co., Ltd., Tianjin Tiancai New Industry Assets Management Co., Ltd., Jinyu Thermal Processing Tangshan Co., Ltd., and Tangshan Jidong Development Machinery and Equipment Manufacturing Co., Ltd., please refer to Note V. 19.

As at 31 December 2025, the useful life of trademark rights with a carrying amount of RMB57,710,524.89 (31 December 2024: RMB63,682,052.52) was indefinite. The Group can apply for extension at the end of the expiration of protection periods of trademark rights with lower handling fees, and according to comprehensive judgment on product life cycle, market conditions and other factors, such trademark rights will bring economic benefits to the Group during future periods. After being evaluated by the management of the Group, no provision for impairment is necessary.

As at 31 December 2025, the carrying value of intangible assets of the Group pending completion of the procedures for title certificates amounted to RMB105,011,737.39 (31 December 2024: RMB224,985,533.92). The management of the Company is of the view that there would not be any material adverse impact on the business operation of the Group from the aforementioned incomplete procedures for the title certificates.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 23. Goodwill

31 December 2025

Unit: RMB

Items	Opening balance	Increase during the year		Decrease during the year		Closing balance
		Business combinations not under common control	Others	Disposal		
BBMG Jidong Cement Business	2,013,854,242.93	-	-	-	-	2,013,854,242.93
Jidong Equipment Business	477,549,380.23	-	-	-	-	477,549,380.23
Hebei BBMG Dingxin Cement Co., Ltd.	189,815,999.91	-	-	-	-	189,815,999.91
Liaoning Hengwei Cement Group Co., Ltd. (遼寧恆威水泥集團有限公司)	-	125,299,635.40	-	-	-	125,299,635.40
Zhejiang Jinyu Hangjia Green Building Technology Co., Ltd. (浙江金隅杭加綠建科技有限公司)	85,356,654.04	-	-	-	-	85,356,654.04
Shanxi BBMG Jidong Environmental Protection Technology Co., Ltd. (山西金隅冀東環保科技有限公司)	70,191,522.45	-	-	-	-	70,191,522.45
Handan Shexian BBMG Cement Co., Ltd.	56,276,121.38	-	-	-	-	56,276,121.38
Shuangyashan Xinshidai Cement Company Limited (雙鴨山新時代水泥有限責任公司)	42,009,032.68	-	27,490,758.83	-	-	69,499,791.51
Handan BBMG Taihang Cement Co., Ltd.	26,884,752.28	-	-	-	-	26,884,752.28
Shaanxi Qinhan Hengsheng New Building Materials Technology Co., Ltd. (陝西秦漢恆盛新型建材科技有限責任公司)	14,841,384.96	-	-	-	-	14,841,384.96
Benxi Jinzhong New Material Technology Co., Ltd. (本溪金中新材料科技有限公司)	-	14,119,863.85	-	-	-	14,119,863.85
Baoding Taihang Heyi Cement Co., Ltd.	11,428,946.82	-	-	-	-	11,428,946.82
Liaoyang Hongguang Mining Co., Ltd. (遼陽市弘光礦業有限公司)	-	11,007,993.57	-	-	-	11,007,993.57
Tianjin BBMG Zhenxing Environmental Protection Technology Co., Ltd.	10,931,009.96	-	-	-	-	10,931,009.96
Handan Yongnian District Hongpeng Commercial Concrete Co., Ltd. (邯鄲市永年區宏鵬商砼有限公司)	-	7,861,699.56	-	-	-	7,861,699.56
Yuncheng Haixin Haitian Concrete Co., Ltd. (運城市海鑫海天混凝土有限公司)	5,403,615.74	-	-	-	-	5,403,615.74
Handan Dongfang Risheng Commercial Concrete Co., Ltd. (邯鄲市東方日盛商品混凝土有限公司)	4,995,998.32	-	-	-	-	4,995,998.32
Gongyi Tongda Zhongyuan Refractory Technology Co., Ltd.	3,967,009.95	-	-	-	-	3,967,009.95
Beijing Jingu Zhitong Lulian Technology Co., Ltd. (北京金谷智通綠鏈科技有限公司)	3,441,762.77	-	-	-	-	3,441,762.77
Beijing Qianglian Cement Co., Ltd.	2,742,710.29	-	-	-	-	2,742,710.29
Baogang Jidong Cement Co., Ltd.	1,181,333.25	-	-	-	-	1,181,333.25
Wenxi Xinxin Haitian Concrete Co., Ltd. (聞喜新鑫海天混凝土有限公司)	255,360.18	-	-	-	-	255,360.18
Subtotal	3,021,126,838.14	158,289,192.38	27,490,758.83	-	-	3,206,906,789.35
Less: Provision for impairment of goodwill	376,757,523.95	-	-	-	-	376,757,523.95
Total	2,644,369,314.19	158,289,192.38	27,490,758.83	-	-	2,830,149,265.40

**Notes to Financial Statements**

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)****23. Goodwill**

31 December 2024

Unit: RMB

Items	Opening balance	Increase	Decrease	Closing balance
		during the year	during the year	
		Business combinations not under common control	Disposal	
BBMG Jidong Cement Business	2,013,854,242.93	-	-	2,013,854,242.93
Jidong Equipment Business	477,549,380.23	-	-	477,549,380.23
Hebei BBMG Dingxin Cement Co., Ltd.	189,815,999.91	-	-	189,815,999.91
Zhejiang Jinyu Hangjia Green Building Technology Co., Ltd. (浙江金隅杭加綠建科技有限公司)	-	85,356,654.04	-	85,356,654.04
Shanxi BBMG Jidong Environmental Protection Technology Co., Ltd. (山西金隅冀東環保科技有限公司)	70,191,522.45	-	-	70,191,522.45
Handan Shexian BBMG Cement Co., Ltd.	56,276,121.38	-	-	56,276,121.38
Shuangyashan Xinshidai Cement Company Limited (雙鴨山新時代水泥有限責任公司)	-	42,009,032.68	-	42,009,032.68
Handan BBMG Taihang Cement Co., Ltd.	26,884,752.28	-	-	26,884,752.28
Shaanxi Qinhan Hengsheng New Building Materials Technology Co., Ltd. (陝西秦漢恆盛新型建材科技有限責任公司)	14,841,384.96	-	-	14,841,384.96
Baoding Taihang Heyi Cement Co., Ltd.	11,428,946.82	-	-	11,428,946.82
Tianjin BBMG Zhenxing Environmental Protection Technology Co., Ltd.	10,931,009.96	-	-	10,931,009.96
Yuncheng Haixin Haitian Concrete Co., Ltd. (運城市海鑫海天混凝土有限公司)	-	5,403,615.74	-	5,403,615.74
Handan Dongfang Risheng Commercial Concrete Co., Ltd. (邯鄲市東方日盛商品混凝土有限公司)	4,995,998.32	-	-	4,995,998.32
Gongyi Tongda Zhongyuan Refractory Technology Co., Ltd.	3,967,009.95	-	-	3,967,009.95
Beijing Jingu Zhitong Lulian Technology Co., Ltd. (北京金谷智通綠鏈科技有限公司)	3,441,762.77	-	-	3,441,762.77
Beijing Qianglian Cement Co., Ltd.	2,742,710.29	-	-	2,742,710.29
Baogang Jidong Cement Co., Ltd.	1,181,333.25	-	-	1,181,333.25
Wenxi Xinxin Haitian Concrete Co., Ltd. (聞喜新鑫海天混凝土有限公司)	-	255,360.18	-	255,360.18
<b>Subtotal</b>	<b>2,888,102,175.50</b>	<b>133,024,662.64</b>	<b>-</b>	<b>3,021,126,838.14</b>
Less: Provision for impairment of goodwill	359,757,523.95	17,000,000.00	-	376,757,523.95
<b>Total</b>	<b>2,528,344,651.55</b>	<b>116,024,662.64</b>	<b>-</b>	<b>2,644,369,314.19</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 23. Goodwill (Continued)

Movements in provision for impairment of goodwill are as follows:

2025

Unit: RMB

Items	Increase during			Closing balance
	Opening balance	the year Provision	Decrease during the year	
Gongyi Tongda Zhongyuan Refractory Technology Co., Ltd.	3,967,009.95	-	-	3,967,009.95
Beijing Qianglian Cement Co., Ltd.	2,742,710.29	-	-	2,742,710.29
Tianjin BBMG Zhenxing Environmental Protection Technology Co., Ltd.	10,931,009.96	-	-	10,931,009.96
Handan Shexian BBMG Cement Co., Ltd.	35,521,793.75	-	-	35,521,793.75
Jidong Equipment Business	323,595,000.00	-	-	323,595,000.00
<b>Total</b>	<b>376,757,523.95</b>	<b>-</b>	<b>-</b>	<b>376,757,523.95</b>

2024

Unit: RMB

Items	Opening balance	Increase during		Closing balance
		the year Provision	Decrease during the year	
Gongyi Tongda Zhongyuan Refractory Technology Co., Ltd.	3,967,009.95	-	-	3,967,009.95
Beijing Qianglian Cement Co., Ltd.	2,742,710.29	-	-	2,742,710.29
Tianjin BBMG Zhenxing Environmental Protection Technology Co., Ltd.	10,931,009.96	-	-	10,931,009.96
Handan Shexian BBMG Cement Co., Ltd.	35,521,793.75	-	-	35,521,793.75
Jidong Equipment Business	306,595,000.00	17,000,000.00	-	323,595,000.00
<b>Total</b>	<b>359,757,523.95</b>	<b>17,000,000.00</b>	<b>-</b>	<b>376,757,523.95</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 23. Goodwill (Continued)

Information related to the asset group or set of asset groups where goodwill is located is as follows:

Name	Composition and basis of the asset group or set of asset groups to which goodwill belongs	Operating segment and its basis	Whether consistent with previous years
Jidong Equipment Business Asset Group	Main component is Jidong Equipment. The synergistic benefits of the acquisition of Jidong Equipment are enjoyed by the entire Jidong Equipment Business, and it is difficult to allocate them to each asset group. Therefore, goodwill is allocated to the asset group combination.	For internal management purposes, the asset group combination is attributed to the green building materials segment.	Yes
BBMG Jidong Cement Business Asset Group	Main component is BBMG Jidong Cement Co., Ltd. (formerly known as Tangshan Jidong Cement Co., Ltd., hereinafter referred to as "BBMG Jidong"). The synergistic benefits of the acquisition of BBMG Jidong Cement are enjoyed by the entire Cement Business, and it is difficult to allocate them to each asset group. Therefore, goodwill is allocated to the asset group combination.	For internal management purposes, the asset group is attributed to the green building materials segment.	Yes
Jinyu Hangjia Asset Group	Main component is Zhejiang Jinyu Hangjia Green Building Technology Co., Ltd. (浙江金隅杭加綠建科技有限公司). The synergistic benefits of the acquisition of Zhejiang Jinyu Hangjia Green Building Technology Co., Ltd. (浙江金隅杭加綠建科技有限公司) are enjoyed by the entire Aerated Business, and it is difficult to allocate them to each asset group. Therefore, goodwill is allocated to the asset group combination.	For internal management purposes, the asset group is attributed to the green building materials segment.	Yes
Other Asset Group	The other goodwill of the Company is formed when acquiring the equity of the above mentioned companies. Each company is considered as an asset group, and its cash inflows are independent of the cash inflows generated by other assets or asset groups.	For internal management purposes, the asset group is attributed to the green building materials segment.	Yes

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 23. Goodwill (Continued)

The recoverable amount is determined as the net amount of fair value less disposal costs:

Unit: RMB

Item	Carrying value	Recoverable amount	Impairment provision for the year	Determination of fair value and disposal costs	Key parameters	Determination basis for key parameters
Jidong Equipment Business	2,343,511,321.82	2,354,880,000.00	-	Fair value is determined using the market valuation method, and disposal costs are expenses related to stock trading.	Share price, total number of shares, disposal costs	The share price is the stock price obtained from a public website at the end of the period; the total number of shares is the number of shares obtained from a public website at the end of the period; and the disposal costs are the commissions, stamp duties, transfer fees, and other fees associated with stock trading.

The recoverable amount is determined based on the present value of estimated future cash flows:

Unit: RMB

Items	Carrying value	Recoverable amount	Impairment provision for the year
BBMG Jidong Cement Business	50,815,582,268.12	63,673,656,270.13	-
Hebei BBMG Dingxin Cement Co., Ltd.	1,925,907,867.45	3,142,385,745.67	-
<b>Total</b>	<b>52,741,490,135.57</b>	<b>66,816,042,015.80</b>	<b>-</b>

Measurement basis and major assumptions for determining the recoverable amount of the above assets groups are as follows:

The recoverable amount was determined based on the higher of the net amount of fair value of the assets group less costs to disposal and the present value of the estimated future cash flow of the assets group.

The goodwill formed by the acquisition of equity interests of the listed companies by the Company was determined as the net amount of fair value less costs to disposal based on the market value of the interests held by the Group in the RMB denominated ordinary shares of the listed companies issued by way of public issuance as at 31 December 2025 after adjustments.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 23. Goodwill (Continued)

The estimated future cash flows of the asset group are based on the five-year financial budget approved by the management at a discount rate of 9%-11% (2024: 9%-11%). The revenue growth rate of these assets groups during the forecast period is 1%-3%, and the estimated cash flows beyond five years are determined at a fixed growth rate of 1%-3% (2024: 1%-3%) per annum. Other key assumptions adopted during the evaluation include estimated production capacity, future selling price, growth rate, expected gross profit margin and relevant expenditures of the asset product portfolio, and the above assumptions are based on the previous performance of these assets groups, industry standard and the management's expectations on market development.

#### 24. Long-term deferred expenditures

31 December 2025

Unit: RMB					
Items	Opening balance	Increase during the year	Amortisation during the year	Other decrease	Closing balance
Decoration	156,897,489.36	137,708,955.87	(79,898,932.84)	(970,230.86)	213,737,281.53
Leasehold improvement for fixed assets rented	18,048,132.46	4,390,160.25	(4,630,664.42)	(185,070.92)	17,622,557.37
Land lease prepayments and compensation for land acquisition	355,287,185.99	17,897,687.87	(32,502,090.47)	-	340,682,783.39
Cost of stripping mines	771,185,902.22	118,663,389.52	(111,461,448.93)	(80,652.52)	778,307,190.29
Others	672,955,265.32	214,050,662.21	(154,213,800.08)	(12,979,663.42)	719,812,464.03
<b>Total</b>	<b>1,974,373,975.35</b>	<b>492,710,855.72</b>	<b>(382,706,936.74)</b>	<b>(14,215,617.72)</b>	<b>2,070,162,276.61</b>

31 December 2024

Unit: RMB					
Items	Opening balance	Increase during the year	Amortisation during the year	Other decrease	Closing balance
Decoration	120,456,957.12	87,473,132.56	(46,212,555.71)	(4,820,044.61)	156,897,489.36
Leasehold improvement for fixed assets rented	20,519,782.83	2,919,698.42	(5,061,429.01)	(329,919.78)	18,048,132.46
Land lease prepayments and compensation for land acquisition	329,480,476.30	82,041,406.89	(42,758,569.77)	(13,476,127.43)	355,287,185.99
Cost of stripping mines	788,977,667.36	113,400,569.67	(129,986,513.86)	(1,205,820.95)	771,185,902.22
Others	590,319,260.98	295,653,898.74	(172,754,221.53)	(40,263,672.87)	672,955,265.32
<b>Total</b>	<b>1,849,754,144.59</b>	<b>581,488,706.28</b>	<b>(396,773,289.88)</b>	<b>(60,095,585.64)</b>	<b>1,974,373,975.35</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 25. Deferred income tax assets/deferred income tax liabilities

Unit: RMB

Items	31 December 2025		31 December 2024	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Deferred income tax assets				
Provision for LAT	756,575,782.00	189,143,945.50	902,907,306.32	225,726,826.58
Deductible losses	2,071,054,602.84	517,763,650.71	5,810,470,927.92	1,452,617,731.98
Provision for impairment of assets	1,686,958,523.60	421,739,630.90	1,696,537,430.84	424,134,357.71
Accrual of property development cost	438,998,508.36	109,749,627.09	509,093,186.64	127,273,296.66
Unrealised profits and losses of internal transactions	1,051,122,295.80	262,780,573.95	1,332,313,980.56	333,078,495.14
Changes in fair value of investment in other equity instruments	558,056,048.60	139,514,012.15	540,080,985.48	135,020,246.37
Others	1,035,001,837.84	258,750,459.46	879,187,840.60	219,796,960.15
<b>Total</b>	<b>7,597,767,599.04</b>	<b>1,899,441,899.76</b>	<b>11,670,591,658.36</b>	<b>2,917,647,914.59</b>

Unit: RMB

Items	31 December 2025		31 December 2024	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Deferred income tax liabilities				
Valuation gains of investment properties	12,447,321,470.14	3,111,830,367.54	11,904,996,910.88	2,976,249,227.72
Assessment increase/decrease in business combination	13,134,763,051.68	3,283,690,762.92	12,729,891,753.80	3,182,472,938.45
Others	1,950,124,076.64	487,531,019.16	2,129,577,332.76	532,394,333.19
<b>Total</b>	<b>27,532,208,598.46</b>	<b>6,883,052,149.62</b>	<b>26,764,465,997.44</b>	<b>6,691,116,499.36</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 25. Deferred income tax assets/deferred income tax liabilities

Deductible losses and temporary differences of unrecognised deferred income tax assets are as follows:

Items	Unit: RMB	
	31 December 2025	31 December 2024
Deductible losses	<b>21,893,353,381.58</b>	20,135,952,326.25
Deductible temporary differences	<b>10,862,499,647.35</b>	7,291,216,294.83
<b>Total</b>	<b>32,755,853,028.93</b>	27,427,168,621.08

The deductible losses that are not recognised as deferred income tax assets will expire in the following years:

Items	Unit: RMB	
	31 December 2025	31 December 2024
2025	-	1,915,561,740.74
2026	<b>3,005,496,583.13</b>	3,139,874,019.78
2027	<b>5,215,850,690.80</b>	5,212,366,069.79
2028	<b>5,329,378,358.42</b>	5,370,185,774.65
2029	<b>4,314,398,582.98</b>	4,497,964,721.29
2030	<b>4,028,229,166.25</b>	-
<b>Total</b>	<b>21,893,353,381.58</b>	20,135,952,326.25

The Group's subsidiaries with deductible losses prepare the profit forecasts for the next 5 years based on the approved budget to assess the taxable income to be generated from the subsidiaries enjoying the deductible loss before the expiration of the deductible loss, and to recognize the deferred income tax assets for the deductible loss based on the assessment result.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 26. Other non-current assets

Items	Unit: RMB	
	31 December 2025	31 December 2024
Prepayment for exploration rights	103,496,177.03	100,800,000.00
Prepayment for projects, equipment and plants	119,632,483.85	64,516,966.29
Prepayment for lands	39,963,865.42	38,890,647.92
Others	81,267,529.70	103,099,797.21
<b>Total</b>	<b>344,360,056.00</b>	<b>307,307,411.42</b>

#### 27. Assets with restricted titles or right to use

31 December 2025

Items	Unit: RMB		Restricted type	Restriction
	Balance of carrying amount	Carrying value		
<b>Pledged assets</b>				
Cash and bank balances	1,374,798,755.72	1,374,798,755.72	Guarantee	
Statutory deposit reserve placement with central bank by finance company	995,739,580.24	995,739,580.24	Guarantee	Paid by BBMG Finance Co., Ltd. to the People's Bank of China as statutory deposit reserve in accordance with relevant regulations which cannot be used for daily operations
Guarantee deposits for L/C	39,470,032.31	39,470,032.31	Guarantee	
Quality/performance deposits	271,576,311.39	271,576,311.39	Guarantee	
Guarantee deposits for acceptance bills	34,872,958.54	34,872,958.54	Guarantee	
Mortgage loan guarantee of real estate enterprise	33,139,873.24	33,139,873.24	Guarantee	
Inventories	5,624,386,462.27	5,624,386,462.27	Mortgage/frozen	The Group obtained borrowings of RMB776,102,050.00 secured by inventories with a carrying amount of RMB5,205,167,567.00 The Group's inventories amounting to RMB419,218,895.27 are frozen due to contract dispute

**Notes to Financial Statements**

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)****27. Assets with restricted titles or right to use (Continued)****31 December 2025 (Continued)**

Unit: RMB

Items	Balance of carrying amount	Carrying value	Restricted type	Restriction
Accounts receivable	171,798,319.20	171,798,319.20	Guarantee	The carrying amount of accounts receivable for which factoring was not derecognised by the Group was RMB43,841,883.73, and the carrying amount of accounts receivable for which supply chain financing was not derecognised was RMB127,956,435.47
Bills receivable	278,036,242.33	278,036,242.33	Pledge/Guarantee	The Group obtained borrowings of RMB16,110,713.04 secured by bills receivable with a carrying amount of RMB16,110,713.04. The carrying amount of bills receivable endorsed or discounted but not yet due as at the balance sheet date and not derecognised was RMB261,925,529.29
Fixed assets	648,065,053.21	648,065,053.21	Mortgage/frozen	The Group obtained borrowings of RMB591,895,527.19 secured by fixed assets with a carrying amount of RMB637,873,140.39 The Group's fixed assets amounting to RMB10,191,912.82 are frozen due to ongoing litigation

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 27. Assets with restricted titles or right to use (Continued)

31 December 2025 (Continued)

Unit: RMB

Items	Balance of carrying amount	Carrying value	Restricted type	Restriction
Investment properties	10,180,081,610.53	10,180,081,610.53	Mortgage	The Group obtained borrowings of RMB2,800,900,000.00 and other non-current liabilities of 1,658,378,539.18 pledged by investment properties with a carrying amount of RMB10,180,081,610.53
Equity interests	5,118,176,371.21	5,118,176,371.21	Pledge	The Group obtained borrowings of RMB250,000,000.00 pledged by equity investment with a carrying amount of RMB5,118,176,371.21
Land use rights	3,628,334,991.21	3,628,334,991.21	Mortgage/frozen	The Group obtained borrowings of RMB504,615,200.00 secured by land use rights with a carrying amount of RMB3,614,492,164.08. The Group's land use rights amounting to RMB13,842,827.13 are frozen due to ongoing litigation
Data resources	455,642.12	455,642.12	Pledge	The Group obtained borrowings of RMB10,000,000.00 pledged by data resources with a carrying amount of RMB455,642.12

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 27. Assets with restricted titles or right to use (Continued)

31 December 2025 (Continued)

Unit: RMB

Items	Balance of carrying amount	Carrying value	Restricted type	Restriction
<b>Cash and bank balances whose titles are restricted for other reasons:</b>				
Restricted cash arising from pre-sales of properties	712,160,961.19	712,160,961.19	Project-specific	
Others	490,159,253.18	490,159,253.18	Special purpose for mine reclamation, etc.	
<b>Total</b>	<b>28,226,453,662.17</b>	<b>28,226,453,662.17</b>		

31 December 2024

Unit: RMB

Items	Balance of carrying amount	Carrying value	Restricted type	Restriction
Cash and bank balances	1,541,359,302.16	1,541,359,302.16	Guarantee	
Statutory deposit reserve placement with central bank by finance company	1,167,233,816.33	1,167,233,816.33	Guarantee	Paid by BBMG Finance Co., Ltd. to the People's Bank of China as statutory deposit reserve in accordance with relevant regulations which cannot be used for daily operations
Guarantee deposits for L/C	80,151,571.21	80,151,571.21	Guarantee	
Quality/performance deposits	181,523,736.94	181,523,736.94	Guarantee	
Guarantee deposits for acceptance bills	46,509,699.00	46,509,699.00	Guarantee	
Mortgage loan guarantee of real estate enterprise	65,940,478.68	65,940,478.68	Guarantee	
Inventories	10,559,928,907.42	10,559,928,907.42	Mortgage	The Group obtained borrowings of RMB1,597,286,309.14 secured by inventories with a carrying amount of RMB10,559,928,907.42

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 27. Assets with restricted titles or right to use (Continued)

31 December 2024 (Continued)

Unit: RMB

Items	Balance of carrying amount	Carrying value	Restricted type	Restriction
Accounts receivable	687,587,533.40	687,587,533.40	Guarantee	The carrying amount of accounts receivable for which factoring was not derecognised by the Group was RMB206,727,036.42, and the carrying amount of accounts receivable for which supply chain financing was not derecognised was RMB480,860,496.98
Bills receivable	319,949,788.90	319,949,788.90	Pledge/Guarantee	The commercial acceptance bill pledged by the Group for the issuance of bank acceptance bills amounts to RMB2,495,421.54. The carrying amount of bills receivable endorsed or discounted but not yet due as at the balance sheet date and not derecognised was RMB317,454,367.36
Receivables financing	4,315,075.78	4,315,075.78	Pledge	The bank acceptance bills pledged by the Group for the issuance of bank acceptance bills amount to RMB4,315,075.78
Construction in progress	28,809,950.00	28,809,950.00	Mortgage	The Group obtained borrowings of RMB7,597,412.35 pledged by construction in progress with a carrying amount of RMB28,809,950.00
Fixed assets	93,131,651.28	93,131,651.28	Frozen	The Group's fixed assets amounting to RMB93,131,651.28 are frozen due to ongoing litigation
Investment properties	10,070,355,804.84	10,070,355,804.84	Mortgage	The Group obtained borrowings of RMB712,000,000.00 pledged by investment properties with a carrying amount of RMB10,070,355,804.84

**Notes to Financial Statements**

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)****27. Assets with restricted titles or right to use (Continued)**

31 December 2024 (Continued)

Unit: RMB

Items	Balance of carrying amount	Carrying value	Restricted type	Restriction
Equity interests	5,118,176,371.21	5,118,176,371.21	Pledge	The Group obtained borrowings of RMB750,000,000.00 pledged by equity investments with a carrying amount of RMB5,118,176,371.21
Land use rights	1,728,500,000.00	1,728,500,000.00	Mortgage	The Group obtained borrowings of RMB545,570,532.99 pledged by land use rights with a carrying amount of RMB1,728,500,000.00
Restricted cash arising from pre-sales of properties	982,367,781.40	982,367,781.40	Others	
Others	867,500,416.94	867,500,416.94	Others	
<b>Total</b>	<b>32,001,982,583.33</b>	<b>32,001,982,583.33</b>		

**28. Short-term loans**

Unit: RMB

Items	31 December 2025	31 December 2024
Credit loans	<b>23,585,719,685.30</b>	24,297,398,062.05
Guaranteed loans (Note 1)	<b>2,034,900,000.00</b>	3,482,621,163.88
Mortgaged loans (Note 2)	<b>30,000,000.00</b>	410,187,940.53
Pledged loans (Note 2)	<b>26,110,713.04</b>	144,955,282.68
<b>Total</b>	<b>25,676,730,398.34</b>	28,335,162,449.14

Note 1: As at 31 December 2025 and 31 December 2024, the guaranteed loans were guaranteed by entities within the Group.

Note 2: As at 31 December 2025 and 31 December 2024, details and values of the mortgaged and pledged assets corresponding to the Group's mortgage and pledge loans are set out in Note V. 27.

As at 31 December 2025 and 31 December 2024, the Group had no outstanding loans that were due.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 29. Bills payable

Items	Unit: RMB	
	31 December 2025	31 December 2024
Bank acceptance bills	<b>3,126,581,038.47</b>	1,986,042,605.54
Commercial acceptance bills	<b>1,023,601,137.40</b>	1,069,123,435.43
<b>Total</b>	<b>4,150,182,175.87</b>	3,055,166,040.97

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

#### 30. Accounts payable

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

Items	Unit: RMB	
	31 December 2025	31 December 2024
Within 1 year (inclusive of 1 year)	<b>11,428,369,996.36</b>	16,755,683,271.11
1 to 2 years (inclusive of 2 years)	<b>2,615,193,764.48</b>	2,136,863,970.92
2 to 3 years (inclusive of 3 years)	<b>1,175,820,493.30</b>	952,615,068.78
Over 3 years	<b>1,353,637,610.70</b>	1,098,991,667.76
<b>Total</b>	<b>16,573,021,864.84</b>	20,944,153,978.57

## Notes to Financial Statements

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)****30. Accounts payable (Continued)**

As at 31 December 2025, the Group's significant accounts payable aged over 1 year or overdue are as follows:

Items	Unit: RMB	
	Balance of accounts payable	Reasons for being outstanding or not carried forward
Beijing Urban Construction Group Co., Ltd. (北京城建集團有限責任公司)	882,102,852.32	Unsettled
Beijing Forth Construction & Engineering Co., Ltd. (北京建工四建工程建設有限公司)	732,188,945.24	Unsettled
Daixian Hongwei Cement Co., Ltd. (代縣宏威水泥有限責任公司)	136,985,923.52	Unsettled
Ningbo Residential Construction Group Co., Ltd. (寧波住宅建設集團股份有限公司)	131,709,998.64	Unsettled
Hangzhou Hongmei Construction Engineering Group Co., Ltd. (杭州宏美建工集團有限公司)	112,200,267.43	Unsettled
Total	1,995,187,987.15	

**31. Receipts in advance**

Item	Unit: RMB	
	31 December 2025	31 December 2024
Advances on rents	318,616,077.79	326,427,424.85

**32. Contract liabilities**

Items	Unit: RMB	
	31 December 2025	31 December 2024
Advances on pre-sale of properties	5,158,153,937.36	4,238,846,577.84
Advances on sale of goods	1,383,693,032.21	1,101,699,539.05
Advances on property fees	183,462,601.03	227,274,155.91
Advances on construction costs	125,202,071.25	145,496,199.21
Others	224,672,733.19	275,516,110.79
Total	7,075,184,375.04	5,988,832,582.80

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 32. Contract liabilities (Continued)

As at 31 December 2025, the significant contract liabilities aged over one year are listed as below:

Unit: RMB

Items	Balance of contract liabilities	Reasons for being not carried forward
Advances on pre-sale of properties	773,872,769.11	Not completed, etc.
Advances on sale of goods	63,168,361.76	Supply of goods has not yet concluded, etc.
Others	2,620,395.65	Services have not yet been provided, etc.
<b>Total</b>	<b>839,661,526.52</b>	

Details of advances on pre-sale of properties as at the balance sheet date are as follows:

Unit: RMB

Items	Expected settlement date of the next batch	Proportion of the pre-sale	31 December 2025	31 December 2024
Beijing - Yu • Dongxu	February 2027	23%	1,626,275,919.52	168,054,384.78
Suzhou - Zijinfeili	June 2026	30%	1,499,023,206.47	550,961,878.18
Beijing - Shangchengjun	June 2026	93%	519,912,435.95	61,358,129.02
Beijing - Yu • Xisong	November 2027	28%	355,137,508.03	-
Beijing - Huaxi Yunjin	November 2027	40%	339,658,383.80	-
Beijing - Yu • Haiyue	June 2028	11%	124,121,909.18	-
Beijing - Kanghuiyuan	June 2026	94%	100,289,963.19	473,731,851.47
Beijing - Wangjing Yunshang	December 2026	37%	50,694,063.22	1,555,307,106.87
Changzhou - Zhonglou Tianzhu	February 2026	77%	18,166,544.41	87,525,599.04
Others			524,874,003.59	1,341,907,628.48
<b>Total</b>			<b>5,158,153,937.36</b>	<b>4,238,846,577.84</b>

Contract liabilities with a carrying amount of RMB2,529,139,482.01 at the beginning of the year have been recognised as revenue in the current year.

**Notes to Financial Statements**

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)****33. Wages payable****2025**

Unit: RMB

Items	Opening balance	Increase during the year	Decrease during the year	Closing balance
Short-term remunerations	238,286,327.34	6,314,823,724.43	(6,306,139,915.06)	246,970,136.71
Post-employment benefits (defined contribution plan)	21,999,996.99	881,725,486.32	(883,764,876.95)	19,960,606.36
Termination benefits	37,113,597.39	67,863,400.00	(73,297,761.68)	31,679,235.71
<b>Total</b>	<b>297,399,921.72</b>	<b>7,264,412,610.75</b>	<b>(7,263,202,553.69)</b>	<b>298,609,978.78</b>

**2024**

Unit: RMB

Items	Opening balance	Increase during the year	Decrease during the year	Closing balance
Short-term remunerations	246,431,726.11	6,493,841,414.97	(6,501,986,813.74)	238,286,327.34
Post-employment benefits (defined contribution plan)	15,799,077.59	865,795,297.61	(859,594,378.21)	21,999,996.99
Termination benefits	15,639,331.21	93,568,648.07	(72,094,381.89)	37,113,597.39
<b>Total</b>	<b>277,870,134.91</b>	<b>7,453,205,360.65</b>	<b>(7,433,675,573.84)</b>	<b>297,399,921.72</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 33. Wages payable (Continued)

Short-term remunerations are as below:

2025

Items	Unit: RMB			
	Opening balance	Increase during the year	Decrease during the year	Closing balance
Salaries, bonuses, allowances and subsidies	147,683,060.55	4,696,264,255.22	(4,682,625,281.19)	161,322,034.58
Staff welfare	1,110,494.97	462,271,534.88	(460,770,991.72)	2,611,038.13
Social insurance	18,351,753.23	467,854,205.23	(466,461,049.00)	19,744,909.46
<i>Including: Medical insurance (including maternity insurance)</i>	<i>17,644,792.21</i>	<i>417,772,711.40</i>	<i>(416,296,736.52)</i>	<i>19,120,767.09</i>
<i>Work injury insurance</i>	<i>706,961.02</i>	<i>50,081,493.83</i>	<i>(50,164,312.48)</i>	<i>624,142.37</i>
Housing funds	21,078,675.62	503,020,333.94	(505,239,044.11)	18,859,965.45
Union fund and employee education fund	44,238,647.91	110,283,195.45	(111,126,044.13)	43,395,799.23
Other short-term remunerations	5,823,695.06	75,130,199.71	(79,917,504.91)	1,036,389.86
<b>Total</b>	<b>238,286,327.34</b>	<b>6,314,823,724.43</b>	<b>(6,306,139,915.06)</b>	<b>246,970,136.71</b>

2024

Items	Unit: RMB			
	Opening balance	Increase during the year	Decrease during the year	Closing balance
Salaries, bonuses, allowances and subsidies	149,213,562.78	4,892,449,808.08	(4,893,980,310.31)	147,683,060.55
Staff welfare	2,112,194.78	469,346,209.98	(470,347,909.79)	1,110,494.97
Social insurance	11,760,017.14	454,128,680.23	(447,536,944.14)	18,351,753.23
<i>Including: Medical insurance (including maternity insurance)</i>	<i>10,837,380.08</i>	<i>411,455,091.07</i>	<i>(404,647,678.94)</i>	<i>17,644,792.21</i>
<i>Work injury insurance</i>	<i>922,637.06</i>	<i>42,673,589.16</i>	<i>(42,889,265.20)</i>	<i>706,961.02</i>
Housing funds	24,124,281.32	497,639,708.63	(500,685,314.33)	21,078,675.62
Union fund and employee education fund	42,375,712.47	126,918,234.11	(125,055,298.67)	44,238,647.91
Other short-term remunerations	16,845,957.62	53,358,773.94	(64,381,036.50)	5,823,695.06
<b>Total</b>	<b>246,431,726.11</b>	<b>6,493,841,414.97</b>	<b>(6,501,986,813.74)</b>	<b>238,286,327.34</b>

As at the balance sheet date, there was no wages payable in arrears.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 33. Wages payable (Continued)

Details of defined contribution plan are as follows:

##### 2025

Items	Unit: RMB			
	Opening balance	Increase during the year	Decrease during the year	Closing balance
Basic pension	20,537,710.74	714,176,083.64	(715,989,572.11)	18,724,222.27
Unemployment insurance	740,246.84	26,268,910.97	(26,269,576.30)	739,581.51
Corporate annuity	722,039.41	141,280,491.71	(141,505,728.54)	496,802.58
<b>Total</b>	<b>21,999,996.99</b>	<b>881,725,486.32</b>	<b>(883,764,876.95)</b>	<b>19,960,606.36</b>

##### 2024

Items	Unit: RMB			
	Opening balance	Increase during the year	Decrease during the year	Closing balance
Basic pension	13,995,528.89	694,352,736.99	(687,810,555.14)	20,537,710.74
Unemployment insurance	702,092.00	25,255,963.47	(25,217,808.63)	740,246.84
Corporate annuity	1,101,456.70	146,186,597.15	(146,566,014.44)	722,039.41
<b>Total</b>	<b>15,799,077.59</b>	<b>865,795,297.61</b>	<b>(859,594,378.21)</b>	<b>21,999,996.99</b>

The Group participated in the pension insurance and unemployment insurance managed by local government, to which the Group made contributions based on 16% and 0.3%-0.8% (2024: 16% and 0.3%-0.8%) of the total wages in the previous year respectively. In addition, the Group also participated in the corporate annuity scheme operated and managed by a competent external management organization, to pay as certain percentage of annuity for eligible enterprises and employees.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 34. Tax payable

Items	Unit: RMB	
	31 December 2025	31 December 2024
VAT	312,899,329.95	335,035,751.45
Corporate income tax	299,582,029.19	577,260,998.89
Land appreciation tax	65,687,033.62	76,315,948.53
Resource tax	38,068,889.93	28,205,657.46
Real estate tax	37,255,908.00	38,115,091.40
City maintenance and construction tax	24,857,673.29	23,268,286.00
Education surcharges	19,452,350.44	17,308,056.22
Urban and rural land use tax	17,934,037.44	17,704,856.77
Individual income tax	14,683,874.40	15,941,790.54
Deed tax and others	50,632,663.58	75,579,427.63
<b>Total</b>	<b>881,053,789.84</b>	<b>1,204,735,864.89</b>

#### 35. Other payables

Items	Unit: RMB	
	31 December 2025	31 December 2024
Dividends payable	482,027,356.76	590,056,940.43
Other shareholders	71,821,054.02	79,001,138.71
Interest on perpetual bonds	410,206,302.74	511,055,801.72
Other payables	6,635,856,247.84	6,070,849,498.56
Amounts collected on behalf and temporary receipts	1,027,695,363.35	1,428,740,331.08
Deposits	1,492,674,596.40	1,443,835,407.78
Payables to related companies	833,070,559.34	684,691,832.07
Construction costs payable	1,129,631,169.28	210,422,549.82
Payables for relocation compensation	420,266,547.17	463,895,864.47
Payables for acquisition of equity	497,324,259.21	733,964,439.37
Payables for land use right	62,125,646.00	66,012,026.65
Freight and miscellaneous charges payable	36,515,114.26	67,107,364.86
Public maintenance fund payable	53,216,033.78	45,555,852.93
Current portion of net liabilities of defined benefit plan (Note V. 42)	31,939,639.00	49,750,442.54
Utilities	12,373,299.90	8,844,072.82
Others	1,039,024,020.15	868,029,314.17
<b>Total</b>	<b>7,117,883,604.60</b>	<b>6,660,906,438.99</b>

## Notes to Financial Statements

For the year ended 31 December 2025

## V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 35. Other payables (Continued)

As at 31 December 2025, significant other payables aged more than one year of the Group are as follows:

Unit: RMB

Items	Relationship with the Group	Amount payable	Percentage of total other payables (%)	Reasons for being outstanding
Beijing Chenyu Real Estate Development Co., Ltd. (北京宸宇房地產開發有限公司)	Related party	514,627,660.02	7.23	Unsettled
Changli Wujun Cement Co., Ltd. (昌黎縣武軍水泥有 限責任公司)	Third party	63,896,965.15	0.90	Unsettled
Beijing Guang'an Infrastructure Construction Investment Co., Ltd. (北京廣安基礎設施建投公司)	Third party	56,915,228.47	0.80	Unsettled
Beijing Xicheng District Housing Expropriation Affairs Center (北京市西城區房屋徵收事務中心)	Third party	34,572,250.82	0.49	Unsettled
Unit 2	Third party	32,532,450.87	0.46	Unsettled
Total		702,544,555.33	9.88	

### 36. Non-current liabilities due within one year

Unit: RMB

Items	31 December 2025	31 December 2024
Long-term loans due within one year (Note V. 38)	19,489,750,132.64	9,831,272,623.91
Bonds payable due within one year (Note V. 39)	5,546,717,827.25	10,686,586,603.49
Lease liabilities due with one year (Note V. 40)	93,820,575.27	144,028,915.34
Long-term payables due within one year (Note V. 41)	123,348,388.56	161,419,475.33
Total	25,253,636,923.72	20,823,307,618.07

### 37. Other current liabilities

Unit: RMB

Items	31 December 2025	31 December 2024
Accrued expenses	2,762,820,014.13	2,646,935,263.96
<i>Including: Accrued development costs</i>	1,740,361,819.12	1,458,718,853.24
<i>Provision for LAT</i>	757,797,652.31	902,553,788.74
<i>Other accrued expenses</i>	264,660,542.70	285,662,621.98
Tax to be written off	674,254,614.27	469,466,043.52
Total	3,437,074,628.40	3,116,401,307.48

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 38. Long-term loans

Items	Unit: RMB	
	31 December 2025	31 December 2024
Credit loans	<b>62,483,674,597.35</b>	47,639,505,206.84
Guaranteed loans (Note 1)	<b>7,650,192,035.67</b>	7,633,197,111.36
Mortgaged loans (Note 2)	<b>4,643,512,777.19</b>	4,707,628,026.72
Pledged loans (Note 2)	<b>250,000,000.00</b>	750,000,000.00
Subtotal	<b>75,027,379,410.21</b>	60,730,330,344.92
Less: Long-term loans due within one year	<b>19,489,750,132.64</b>	9,831,272,623.91
Total	<b>55,537,629,277.57</b>	50,899,057,721.01

Note 1: As at 31 December 2025 and 31 December 2024, the guaranteed loans of the Group were guaranteed by entities within the Group.

Note 2: As at 31 December 2025 and 31 December 2024, details and values of the mortgaged and pledged assets corresponding to the Group's mortgage and pledge loans are set out in Note V. 27.

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

Items	Unit: RMB	
	31 December 2025	31 December 2024
Within 1 year	<b>19,489,750,132.64</b>	9,831,272,623.91
1-2 years	<b>23,061,207,284.99</b>	14,216,288,829.65
2-5 years	<b>28,669,455,942.30</b>	28,452,026,671.34
Over 5 years	<b>3,806,966,050.28</b>	8,230,742,220.02
Total	<b>75,027,379,410.21</b>	60,730,330,344.92

As at 31 December 2025, the annual interest rates of the above loans were 2.00%-5.65% (31 December 2024: 1.20%-5.65%).

## Notes to Financial Statements

For the year ended 31 December 2025

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

## 39. Short-term financing bonds payable and bonds payable

Items	Unit: RMB	
	31 December 2025	31 December 2024
Short-term financing bonds payable	<b>1,000,644,383.56</b>	6,026,458,630.14
Bonds payable		
Corporate bonds	<b>14,601,734,490.65</b>	17,974,672,661.83
Medium-term notes	<b>7,103,525,616.48</b>	7,625,346,587.97
<b>Total</b>	<b>21,705,260,107.13</b>	25,600,019,249.80
Less: Bonds payable due within one year	<b>5,546,717,827.25</b>	10,686,586,603.49
Non-current portion	<b>16,158,542,279.88</b>	14,913,432,646.31

Analysis of maturity:

Items	Unit: RMB	
	31 December 2025	31 December 2024
Within 1 year (inclusive of 1 year)	<b>5,546,717,827.25</b>	10,686,586,603.49
1 to 2 years (inclusive of 2 years)	<b>3,198,266,163.05</b>	4,423,989,151.49
2 to 5 years (inclusive of 5 years)	<b>10,462,420,471.35</b>	5,991,837,849.34
Over 5 years	<b>2,497,855,645.48</b>	4,497,605,645.48
<b>Total</b>	<b>21,705,260,107.13</b>	25,600,019,249.80

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 39. Short-term financing bonds payable and bonds payable (Continued)

As at 31 December 2025, the balance of bonds payable is as follows:

Items	Par value	Coupon rate (%)	Issuance date	Term	Issuance amount	Opening balance	Issuance amount during the year	Interest charged at par value	Amortisation of discount/premium	Repayment and interest payment	Reclassified to due within one year	Closing balance	Is there a breach of contract
Unit: RMB													
<b>Corporate bonds and medium-term notes:</b>													
RMB1.5 billion corporate bonds	RMB1.5 billion	2.80	12 July 2018	5+2 years	85,900,000.00	86,554,742.31	-	1,750,457.69	-	(86,305,200.00)	-	-	No
RMB4.5 billion corporate bonds	RMB4.5 billion	2.18	10 January 2020	5+2 years	4,500,000,000.00	4,670,595,106.29	-	71,953,970.42	4,285,714.29	(1,480,550,000.00)	(68,018,627.95)	3,188,266,163.05	No
RMB2.0 billion corporate bonds	RMB2.0 billion	3.00	16 June 2020	3+2 years	2,000,000,000.00	2,037,993,892.78	-	28,006,107.22	-	(2,060,000,000.00)	-	-	No
RMB1.5 billion corporate bonds	RMB1.5 billion	2.90	14 August 2020	3+2 years	879,000,000.00	887,277,955.15	-	17,213,044.85	-	(904,491,000.00)	-	-	No
RMB2.82 billion corporate bonds	RMB2.82 billion	2.00	5 November 2020	6 years	2,820,000,000.00	1,704,549,740.52	-	28,398,021.32	45,852,163.77	(26,670,377.35)	(1,752,129,548.26)	-	No
RMB1.0 billion corporate bonds	RMB1.0 billion	2.49	11 June 2021	3+2 years	1,000,000,000.00	795,463,506.99	-	19,546,500.00	278,710.70	(19,546,500.00)	(795,742,217.69)	-	No
RMB2.0 billion corporate bonds	RMB2.0 billion	2.24	13 October 2021	3+2 years	1,000,000,000.00	558,844,198.01	-	10,586,625.00	277,574.86	(12,432,000.00)	(557,276,387.87)	-	No
RMB2.0 billion corporate bonds	RMB2.0 billion	2.50	22 November 2021	3+2 years	2,000,000,000.00	1,399,020,788.38	-	37,481,951.35	-	(34,700,000.00)	(1,391,802,739.73)	-	No
RMB1.0 billion medium-term notes	RMB1.0 billion	2.93	31 May 2022	3 years	1,000,000,000.00	1,016,992,343.18	-	12,307,656.82	-	(1,029,300,000.00)	-	-	No
RMB1.0 billion medium-term notes	RMB1.0 billion	2.84	26 August 2022	3 years	1,000,000,000.00	1,009,732,600.95	10,000,000.00	18,466,483.92	200,915.13	(1,028,400,000.00)	-	-	No
RMB0.8 billion corporate bonds	RMB0.8 billion	2.53	26 April 2024	1+1+1 years	800,000,000.00	813,106,200.07	-	20,773,252.00	-	(32,329,531.45)	(811,549,920.62)	-	No
RMB1.5 billion corporate bonds	RMB1.5 billion	2.44	22 April 2024	3+2 years	1,000,000,000.00	1,015,164,303.26	-	24,399,999.96	387,159.83	(24,400,000.00)	(16,808,888.82)	998,762,574.23	No
RMB2.0 billion medium-term notes	RMB2.0 billion	2.87	6 February 2024	5+2 years	1,500,000,000.00	1,538,921,917.81	-	42,932,054.83	-	(43,803,972.64)	(38,803,972.64)	1,500,000,000.00	No
RMB2.0 billion medium-term notes	RMB2.0 billion	2.84	4 March 2024	3+2 years	2,000,000,000.00	2,047,151,780.82	-	56,800,000.00	-	(56,800,000.00)	(47,151,780.82)	2,000,000,000.00	No
RMB1.0 billion corporate bonds	RMB1.0 billion	2.35	8 July 2024	5 years	1,000,000,000.00	1,009,123,567.84	-	23,500,000.05	500,000.00	(23,500,000.00)	(11,395,890.41)	998,227,677.48	No
RMB1.0 billion corporate bonds	RMB1.0 billion	2.67	8 July 2024	10 years	1,000,000,000.00	1,010,553,316.71	-	26,700,000.00	250,000.00	(26,700,000.00)	(12,947,671.23)	997,555,645.48	No
RMB1.0 billion corporate bonds	RMB1.0 billion	2.29	23 September 2024	3+2 years	1,000,000,000.00	998,335,140.91	-	19,900,000.00	833,333.33	(19,900,000.00)	(617,808.22)	998,350,666.02	No
RMB1.0 billion corporate bonds	RMB1.0 billion	2.15	20 September 2024	3+2 years	1,000,000,000.00	1,004,070,202.61	-	21,500,000.04	385,124.10	(21,500,000.00)	(5,852,777.83)	988,602,546.92	No
RMB1.0 billion corporate bonds	RMB1.0 billion	1.99	20 January 2025	3+2 years	1,000,000,000.00	-	968,000,000.00	18,849,722.19	477,004.65	-	(18,849,722.14)	968,477,004.70	No
RMB1.5 billion medium-term notes	RMB1.5 billion	2.35	10 November 2025	5 years	1,500,000,000.00	-	1,500,000,000.00	5,021,917.81	-	-	(5,021,917.81)	1,500,000,000.00	No
<b>Subtotal</b>					30,084,900,000.00	25,600,019,249.80	2,478,000,000.00	551,887,765.47	53,727,700.66	(6,978,374,608.80)	(6,546,717,627.25)	16,158,542,279.88	
<b>Short-term financing bond:</b>													
RMB2.0 billion ultra-short financing bonds	RMB2.0 billion	2.06	23 August 2024	210 days	2,000,000,000.00	2,014,786,849.32	-	8,917,260.27	-	(2,023,704,109.59)	-	-	No
RMB1.0 billion ultra-short financing bonds	RMB1.0 billion	2.10	13 September 2024	245 days	1,000,000,000.00	1,006,328,767.12	-	7,767,123.29	-	(1,014,085,890.41)	-	-	No
RMB2.0 billion ultra-short financing bonds	RMB2.0 billion	2.04	20 November 2024	247 days	2,000,000,000.00	2,004,694,794.52	-	22,915,068.49	-	(2,027,609,663.01)	-	-	No
RMB1.0 billion ultra-short financing bonds	RMB1.0 billion	1.82	19 December 2024	267 days	1,000,000,000.00	1,000,648,219.18	-	12,865,205.48	-	(1,013,313,424.66)	-	-	No
RMB2.0 billion ultra-short financing bonds	RMB2.0 billion	1.92	18 February 2025	269 days	2,000,000,000.00	-	2,000,000,000.00	28,300,273.97	-	(2,028,300,273.97)	-	-	No
RMB1.0 billion ultra-short financing bonds	RMB1.0 billion	1.65	17 September 2025	100 days	1,000,000,000.00	-	1,000,000,000.00	4,520,547.95	-	(1,004,520,547.95)	-	-	No
RMB1.0 billion ultra-short financing bonds	RMB1.0 billion	1.68	18 December 2025	56 days	1,000,000,000.00	-	1,000,000,000.00	644,383.56	-	-	-	1,000,644,383.56	No
<b>Subtotal</b>					10,000,000,000.00	6,026,458,630.14	4,000,000,000.00	85,729,863.01	-	(9,111,544,109.59)	-	1,000,644,383.56	No

## Notes to Financial Statements

For the year ended 31 December 2025

## V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 39. Short-term financing bonds payable and bonds payable (Continued)

As at 31 December 2024, the balance of bonds payable is as follows:

Items	Par value	Coupon rate (%)	Issuance date	Term	Issuance amount	Opening balance	Issuance amount during the year	Interest charged at par value	Amortisation of discount/premium	Repayment and interest payment	Reclassified to due within one year	Closing balance	Unit: RMB Is there a breach of contract
<b>Corporate bonds and medium-term notes:</b>													
RMB0.5 billion corporate bonds		2.95	19 May 2017	5+2 years	1,000,000,000	387,198.68	-	9,915.28	652,386.04	(1,029,500.00)	-	-	No
RMB1.5 billion corporate bonds		2.80	12 July 2016	5+2 years	85,900,000,000	86,552,138.38	-	1,509,486.57	898,317.36	(2,405,200.00)	(86,554,742.31)	-	No
RMB1.5 billion corporate bonds		4.07	9 January 2019	5+2 years	1,500,000,000,000	1,558,011,237.80	-	1,338,082.19	1,700,680.01	(1,567,050,000.00)	-	-	No
RMB2.5 billion medium-term notes		4.35	7 March 2019	5 years	2,500,000,000,000	2,597,893,835.62	-	20,856,164.38	-	(2,608,750,000.00)	-	-	No
RMB2.0 billion medium-term notes		3.94	7 August 2019	5 years	2,000,000,000,000	2,031,088,219.18	-	47,711,780.82	-	(2,078,800,000.00)	-	-	No
RMB1.5 billion corporate bonds		2.94	28 October 2019	5 years	1,500,000,000,000	1,427,487,284.23	-	34,355,924.43	(53,527.50)	(1,461,789,881.16)	-	-	No
RMB2.0 billion medium-term notes		4.13	12 November 2019	5 years	2,000,000,000,000	2,010,636,164.38	-	71,963,635.62	-	(2,082,600,000.00)	-	-	No
RMB4.5 billion corporate bonds		3.99	10 January 2020	5+2 years	4,500,000,000,000	4,668,771,344.19	-	180,041,917.80	1,331,844.30	(179,550,000.00)	(4,670,585,106.29)	-	No
RMB2.0 billion corporate bonds		3.00	16 June 2020	3+2 years	2,000,000,000,000	2,033,555,625.03	-	57,383,013.70	1,055,354.05	(60,000,000.00)	(2,031,993,892.78)	-	No
RMB1.5 billion corporate bonds		2.90	14 August 2020	3+2 years	879,000,000,000	887,050,068.61	-	22,996,048.93	2,722,801.61	(23,491,000.00)	(887,277,955.15)	-	No
RMB2.82 billion corporate bonds		1.50	5 November 2020	6 years	2,820,000,000,000	1,653,620,851.00	-	22,575,547.06	49,674,573.26	(21,321,230.80)	(4,886,864.03)	1,689,653,876.49	No
RMB1.0 billion corporate bonds		2.49	11 June 2021	3+2 years	1,000,000,000,000	1,019,707,955.72	-	27,170,277.76	285,863.51	(251,700,000.00)	(10,859,166.55)	794,804,340.44	No
RMB1.0 billion corporate bonds		2.24	13 October 2021	3+2 years	1,000,000,000,000	1,006,992,374.22	-	32,257,925.00	293,898.79	(480,700,000.00)	(4,331,312.10)	554,572,885.91	No
RMB2.0 billion corporate bonds		2.50	22 November 2021	3+2 years	2,000,000,000,000	2,002,784,016.07	-	60,254,794.52	1,381,977.79	(675,400,000.00)	(3,802,739.73)	1,385,218,048.65	No
RMB1.0 billion medium-term notes		2.93	31 May 2022	3 years	1,000,000,000,000	1,016,483,786.18	-	29,300,000.04	508,554.00	(29,300,000.04)	(1,016,992,343.18)	-	No
RMB1.0 billion medium-term notes		2.84	26 August 2022	3 years	1,000,000,000,000	1,009,228,288.76	-	28,400,000.04	504,312.19	(28,400,000.04)	(1,009,732,600.95)	-	No
RMB1.5 billion medium-term notes		2.87	6 February 2024	5+2 years	1,500,000,000,000	-	1,500,000,000.00	38,921,917.81	-	-	(38,921,917.81)	1,500,000,000.00	No
RMB2.0 billion medium-term notes		2.84	4 March 2024	3+2 years	2,000,000,000,000	-	2,000,000,000.00	47,151,780.82	-	-	(47,151,780.82)	2,000,000,000.00	No
RMB1.0 billion corporate bonds		2.44	22 April 2024	3+2 years	1,000,000,000,000	-	998,000,000.00	16,808,888.86	375,414.40	-	(16,808,888.86)	998,375,414.40	No
RMB0.8 billion corporate bonds		2.53	26 April 2024	1+1+1 years	800,000,000,000	-	800,000,000.00	13,106,200.07	-	-	(813,106,200.07)	-	No
RMB1.0 billion corporate bonds		2.35	8 July 2024	5 years	1,000,000,000,000	-	997,500,000.00	11,395,890.41	227,677.43	-	(11,395,890.41)	997,727,677.43	No
RMB1.0 billion corporate bonds		2.67	8 July 2024	10 years	1,000,000,000,000	-	997,500,000.00	12,947,671.23	105,645.48	-	(12,947,671.23)	997,805,645.48	No
RMB2.0 billion medium-term notes		2.29	23 September 2024	5 years	2,000,000,000,000	-	2,000,000,000.00	12,547,945.21	-	-	(12,547,945.21)	2,000,000,000.00	No
RMB1.0 billion corporate bonds		2.15	20 September 2024	3+2 years	1,000,000,000,000	-	998,000,000.00	5,852,777.79	217,424.82	-	(5,852,777.79)	998,217,424.82	No
RMB1.0 billion corporate bonds		1.99	17 December 2024	3+2 years	1,000,000,000,000	-	997,500,000.00	817,808.22	17,332.69	-	(817,808.22)	997,517,332.69	No
<b>Subtotal</b>					37,085,900,000,000	25,000,229,701.05	11,288,500,000,000	797,675,630.56	61,900,530.23	(11,548,286,612.04)	(10,886,586,603.49)	14,913,432,646.31	
<b>Short-term financing bond:</b>													
RMB2.0 billion ultra-short financing bonds		2.54	23 October 2023	240 days	2,000,000,000,000	2,008,603,287.66	-	23,708,187.75	-	(2,038,311,475.41)	-	-	No
RMB2.0 billion ultra-short financing bonds		2.49	17 November 2023	175 days	2,000,000,000,000	2,005,730,410.96	-	18,625,326.74	-	(2,024,355,737.70)	-	-	No
RMB2.0 billion ultra-short financing bonds		2.70	11 December 2023	100 days	2,000,000,000,000	2,002,998,904.11	-	11,965,194.25	-	(2,014,754,098.36)	-	-	No
RMB2.0 billion ultra-short financing bonds		2.06	23 August 2024	210 days	2,000,000,000,000	-	2,000,000,000.00	14,786,849.32	-	-	-	2,014,786,849.32	No
RMB1.0 billion ultra-short financing bonds		2.10	13 September 2024	245 days	1,000,000,000,000	-	1,000,000,000.00	6,328,767.12	-	-	-	1,006,328,767.12	No
RMB2.0 billion ultra-short financing bonds		2.04	20 November 2024	247 days	2,000,000,000,000	-	2,000,000,000.00	4,694,794.52	-	-	-	2,004,694,794.52	No
RMB1.0 billion ultra-short financing bonds		1.82	19 December 2024	267 days	1,000,000,000,000	-	1,000,000,000.00	648,219.18	-	-	-	1,000,648,219.18	No
<b>Subtotal</b>					12,000,000,000,000	6,018,292,602.73	6,000,000,000,000	80,587,338.88	-	(6,072,421,311.47)	-	6,026,458,630.14	

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 39. Short-term financing bonds payable and bonds payable (Continued)

As at 31 December 2025, the balance of bonds payable is as follows:

- 1) Pursuant to the Replies (Zheng Jian Xu Ke [2019] No. 2255) issued by the China Securities Regulatory Commission (中國證券監督管理委員會出具的批覆(證監許可[2019]2255號)), the Company issued the first tranche of corporate bonds (type two) of BBMG Corporation for 2020 to qualified investors by way of public issuance on 10 January 2020 (hereinafter referred to as “20 BBMG 02”), totalling RMB4,500,000,000.00 with a term of 7 years (with the issuer’s option to adjust the coupon rate at the end of the fifth year and the investors’ entitlement to sell back the bonds) and a coupon rate of 3.99%. From 10 January 2025 to 9 January 2027, the coupon rate of the bonds was adjusted to 2.18%.
- 2) Pursuant to the Replies (Zheng Jian Xu Ke [2020] No. 2416) issued by the China Securities Regulatory Commission (中國證券監督管理委員會出具的批覆(證監許可[2020]2416號)), BBMG Jidong issued the convertible corporate bonds of BBMG Jidong on 5 November 2020 (hereinafter referred to as “Jidong Convertible Bonds”), totalling RMB2,820,000,000.00 with a term of 6 years, and the coupon rate was set at 0.20%, 0.40%, 0.80%, 1.20%, 1.50% and 2.00% for the first year, second year, third year, fourth year, fifth year and sixth year, respectively, with the redemption price at maturity of RMB106 (including the last payment of interests).
- 3) Pursuant to the document (Zheng Jian Xu Ke [2020] No. 2804) (《證監許可[2020]2804號》文件) issued by the China Securities Regulatory Commission, BBMG Jidong issued the first tranche of corporate bonds of BBMG Jidong to professional investors by way of public issuance on 11 June 2021 (hereinafter referred to as “21 Jidong 01”), totalling RMB1,000,000,000.00 with a term of 5 years (with the issuer’s option to adjust the coupon rate at the end of the third year and the investors’ entitlement to sell back the bonds) and a coupon rate of 2.49%. The sale back amount as announced on 6 June 2024 was RMB215,000,000.00 (excluding interest). The bonds sold back shall not be resold.
- 4) BBMG Jidong issued the second tranche of corporate bonds of BBMG Jidong to professional investors by way of public issuance on 13 October 2021 (hereinafter referred to as “21 Jidong 02”), totalling RMB1,000,000,000.00 with a term of 5 years (with the issuer’s option to adjust the coupon rate at the end of the third year and the investors’ entitlement to sell back the bonds) and a coupon rate of 2.24%.
- 5) Pursuant to the document (Zheng Jian Xu Ke [2020] No. 2749) (《證監許可[2020]2749號》文件) issued by the China Securities Regulatory Commission, the Company issued the first tranche of corporate bonds of BBMG Corporation for 2021 to professional investors by way of public issuance on 22 November 2021 (hereinafter referred to as “21 BBMG 01”), totalling RMB2,000,000,000.00 with a term of 5 years (with the issuer’s option to adjust the coupon rate at the end of the third year and the investors’ entitlement to sell back the bonds) and a coupon rate of 2.50%.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 39. Short-term financing bonds payable and bonds payable (Continued)

- 6) Pursuant to the No Objection Letter Regarding the Listing and Transfer of the Non-Public Issuance of Corporate Bonds of Tianjin Building Materials Group (Holding) Co., Ltd. (Shang Zheng Han [2023] No. 3167) (《關於對天津市建築材料集團(控股)有限公司非公開發行公司債券掛牌轉讓無異議的函》(上證函[2023]3167號)) issued by the Shanghai Stock Exchange, Tianjin Building Materials issued the first tranche of corporate bonds of Tianjin Building Materials Group (Holding) Co., Ltd. to investors by way of non-public issuance on 26 April 2024 (hereinafter referred to as “24 Jincai 01”), totalling RMB800,000,000.00 with a term of 3 years (with the investors’ entitlement to sell back the bonds and the issuer’s option to redeem at the end of the first and second year) and a coupon rate of 2.53%.
- 7) Pursuant to the Replies (Zheng Jian Xu Ke [2023] No. 810) issued by the China Securities Regulatory Commission (中國證券監督管理委員會出具的批覆(證監許可[2023]810號)), BBMG Jidong issued the first tranche of corporate bonds of BBMG Jidong for 2024 to professional investors by way of public issuance on 22 April 2024 (hereinafter referred to as “24 Jidong 01”), totalling RMB1,000,000,000.00 with a term of 5 years (with the issuer’s option to adjust the coupon rate at the end of the third year and the investors’ entitlement to sell back the bonds) and a coupon rate of 2.44%.
- 8) Pursuant to the Notice of Acceptance of Registration (Zhong Shi Xie Zhu [2023] No. DFI6) (《接受註冊通知書》(中市協註[2023]DFI6號)) issued by the National Association of Financial Market Institutional Investors, the Company issued the first tranche of medium-term notes of BBMG Corporation for 2024 on 6 February 2024 (hereinafter referred to as “24 BBMG MTN001”), totalling RMB1,500,000,000.00 with a term of 5+2 years and a coupon rate of 2.87%.
- 9) Pursuant to the Notice of Acceptance of Registration (Zhong Shi Xie Zhu [2023] No. DFI6) (《接受註冊通知書》(中市協註[2023]DFI6號)) issued by the National Association of Financial Market Institutional Investors, the Company issued the second tranche of medium-term notes of BBMG Corporation for 2024 on 4 March 2024 (hereinafter referred to as “24 BBMG MTN002”), totalling RMB2,000,000,000.00 with a term of 3+2 years and a coupon rate of 2.84%.
- 10) Pursuant to the document (Zheng Jian Xu Ke [2024] No. 412) (《證監許可[2024]412號》文件) issued by the China Securities Regulatory Commission, the Company issued the first tranche of scientific and technological innovation corporate bonds (type one) of BBMG Corporation for 2024 to professional investors by way of public issuance on 8 July 2024 (hereinafter referred to as “24 BBMG K1”), totalling RMB1,000,000,000.00 with a term of 5 years and a coupon rate of 2.35%.
- 11) Pursuant to the document (Zheng Jian Xu Ke [2024] No. 412) (《證監許可[2024]412號》文件) issued by the China Securities Regulatory Commission, the Company issued the first tranche of scientific and technological innovation corporate bonds (type two) of BBMG Corporation for 2024 to professional investors by way of public issuance on 8 July 2024 (hereinafter referred to as “24 BBMG K2”), totalling RMB1,000,000,000.00 with a term of 10 years and a coupon rate of 2.67%.
- 12) Pursuant to the Notice of Acceptance of Registration (Zhong Shi Xie Zhu [2023] No. DFI6) (《接受註冊通知書》(中市協註[2023]DFI6號)) issued by the National Association of Financial Market Institutional Investors, the Company issued the third tranche of medium-term notes of BBMG Corporation for 2024 on 23 September 2024 (hereinafter referred to as “24 BBMG MTN003”), totalling RMB2,000,000,000.00 with a term of 5 years and a coupon rate of 2.29%.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 39. Short-term financing bonds payable and bonds payable (Continued)

- 13) Pursuant to the document (Zheng Jian Xu Ke [2024] No. 412) (《證監許可[2024]412號》文件) issued by the China Securities Regulatory Commission, the Company issued the second tranche of scientific and technological innovation corporate bonds of BBMG Corporation for 2024 to professional investors by way of public issuance on 17 December 2024 (hereinafter referred to as “24 BBMG K3”), totalling RMB1,000,000,000.00 with a term of 5 years (with the issuer’s option to adjust the coupon rate at the end of the third year and the investors’ entitlement to sell back the bonds) and a coupon rate of 1.99%.
- 14) Pursuant to the Replies (Zheng Jian Xu Ke [2023] No. 810) issued by the China Securities Regulatory Commission (中國證券監督管理委員會出具的批覆(證監許可[2023]810號)), BBMG Jidong issued the second tranche of corporate bonds of BBMG Jidong for 2024 to professional investors by way of public issuance on 20 September 2024 (hereinafter referred to as “24 Jidong 02”), totalling RMB1,000,000,000.00 with a term of 5 years (with the issuer’s option to adjust the coupon rate at the end of the third year and the investors’ entitlement to sell back the bonds) and a coupon rate of 2.15%.
- 15) Pursuant to the document (Zheng Jian Xu Ke [2023] No. 810) issued by the China Securities Regulatory Commission (中國證券監督管理委員會(證監許可[2023]810號)文), BBMG Jidong issued the first tranche of corporate bonds (Stock Code: 524120) to professional investors by way of public issuance on 20 January 2025 (hereinafter referred to as “25 Jidong 01”), totalling RMB1,000,000,000.00 with a coupon rate of 1.99% and a term of 5 years (with the issuer’s option to adjust the coupon rate at the end of the third year and the investors’ entitlement to sell back the bonds).
- 16) Pursuant to the Notice of Acceptance of Registration (Zhong Shi Xie Zhu [2025] No. MTN161) (《接受註冊通知書》(中市協註[2025]MTN161號)) issued by the National Association of Financial Market Institutional Investors, the Company issued the seventh tranche of medium-term notes of BBMG Corporation for 2025 on 10 November 2025 (hereinafter referred to as “25 BBMG MTN007”), totalling RMB1,500,000,000.00 with a term of 5 years and a coupon rate of 2.35%.

#### 40. Lease liabilities

Items	Unit: RMB	
	31 December 2025	31 December 2024
Principal of lease liabilities	694,085,361.67	799,561,991.60
Less: Unrecognised finance cost	168,959,415.02	197,041,957.63
Subtotal	525,125,946.65	602,520,033.97
Less: Lease liabilities due within one year	93,820,575.27	144,028,915.34
Non-current portion	431,305,371.38	458,491,118.63

**Notes to Financial Statements**

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)****41. Long-term payables**

Items	Unit: RMB	
	31 December 2025	31 December 2024
Long-term payables	<b>572,249,109.81</b>	421,020,480.23
Less: Long-term payables due within one year	<b>123,348,388.56</b>	161,419,475.33
<b>Total</b>	<b>448,900,721.25</b>	259,601,004.90

Analysis of maturity of long-term payables:

Items	Unit: RMB	
	31 December 2025	31 December 2024
Within 1 year (inclusive of 1 year)	<b>123,348,388.56</b>	161,419,475.33
1 to 2 years (inclusive of 2 years)	<b>140,686,486.93</b>	138,264,608.38
2 to 5 years (over 2 years and inclusive of 5 years)	<b>222,173,969.13</b>	101,518,196.52
Over 5 years	<b>86,040,265.19</b>	19,818,200.00
<b>Total</b>	<b>572,249,109.81</b>	421,020,480.23

**42. Long-term wages payable**

Item	Unit: RMB	
	31 December 2025	31 December 2024
Net liabilities of defined benefit plan	<b>363,692,973.72</b>	389,947,884.18

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 42. Long-term wages payable (Continued)

Present value of obligations of defined benefit plan:

Items	Unit: RMB	
	2025	2024
Opening balance	439,698,326.72	456,334,616.92
Recognized in profit or loss:		
Current service cost	1,117,000.00	(556,948.33)
Previous service cost	334,000.00	(2,891,000.00)
Net interest	7,248,429.00	10,191,411.00
Recognized in other comprehensive income:		
Actuarial changes arising from changes in financial assumptions	(3,577,204.00)	22,026,543.58
Actuarial changes arising from difference in experience	(24,820,380.00)	(9,808,605.32)
Other changes:		
Benefits paid	(24,367,559.00)	(35,597,691.13)
Closing balance	395,632,612.72	439,698,326.72
Less: Current portion of net liability of defined benefit plans	31,939,639.00	49,750,442.54
<b>Total</b>	<b>363,692,973.72</b>	<b>389,947,884.18</b>

The Group's defined benefit plans are various supplementary benefit plans for employees retiring before the designated dates, and the plans are subject to impacts from interest rate risk and the risk of changes in the life expectancy of pension beneficiaries. The present value of the net liabilities of the defined benefit plans was determined by Beijing Branch of Towers Watson Management and Consulting (Shenzhen) Company Limited (韜睿惠悅管理諮詢(深圳)有限公司), a member of the China Association of Actuaries (中國精算學會), on 31 December 2025 using the projected accumulated benefit units method.

The following table sets forth the principal actuarial assumptions used as at the balance sheet date:

Items	31 December 2025	31 December 2024
Discount rate (%)	1.75-2.25	1.5-3.0
Growth rate of benefit costs of retirees and early retirees (%)	2.5	2.5

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 42. Long-term wages payable (Continued)

The following table sets forth the quantitative sensitivity analysis of significant assumptions used:

##### 31 December 2025

Items	Unit: RMB			
	Increase (%)	Increase/ (decrease) of defined benefit plan obligations	Decrease (%)	Increase/ (decrease) of defined benefit plan obligations
Discount rate	0.25	(9,023,354.07)	0.25	9,418,743.62
Expected growth rate of future retiree benefit costs	0.50	13,603,826.75	0.50	(12,726,171.89)

##### 31 December 2024

Items	Unit: RMB			
	Increase (%)	Increase/ (decrease) of defined benefit plan obligations	Decrease (%)	Increase/ (decrease) of defined benefit plan obligations
Discount rate	0.25	(9,735,026.30)	0.25	9,821,767.64
Expected growth rate of future retiree benefit costs	0.50	13,696,273.39	0.50	(11,942,405.34)

The above sensitivity analysis represents the inference on the impacts over the defined benefit obligations based on reasonable changes in key assumptions as at the balance sheet date. The sensitivity analysis is based on changes in major assumptions with other assumptions remain unchanged. As changes in assumptions are always not isolated from each other, the sensitivity analysis may not represent the actual changes in the defined benefit obligations.

The table below sets out the relevant costs recognised in profit or loss:

Items	Unit: RMB	
	2025	2024
Net interest expenses charged to finance expenses	7,248,429.00	10,191,411.00
Charged to management expenses	1,451,000.00	(3,447,948.33)
Total	8,699,429.00	6,743,462.67

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 42. Long-term wages payable (Continued)

Expected future payments to the defined benefit plan:

Items	Unit: RMB	
	31 December 2025	31 December 2024
Within 1 year	31,939,639.00	45,542,942.54
2 to 5 years	109,904,828.00	127,610,440.95
5 to 10 years	102,564,334.00	114,634,958.34
Over 10 years	274,026,511.00	298,225,527.00
<b>Total</b>	<b>518,435,312.00</b>	<b>586,013,868.83</b>

#### 43. Estimated liabilities

Items	Unit: RMB			
	Opening balance	Increase during the year	Decrease during the year	Closing balance
Restoration cost of mines	449,293,277.70	1,855,421.40	(16,855,757.59)	434,292,941.51
Pending litigations or arbitration	173,983,456.09	-	(2,324,729.67)	171,658,726.42
Others	65,925,450.62	468,730.44	(21,051,679.79)	45,342,501.27
<b>Total</b>	<b>689,202,184.41</b>	<b>2,324,151.84</b>	<b>(40,232,167.05)</b>	<b>651,294,169.20</b>

**Notes to Financial Statements**

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)****44. Deferred income**

Items	Unit: RMB	
	2025	2024
Opening balance	<b>798,598,254.47</b>	786,216,497.15
Increase during the year	<b>161,521,011.10</b>	151,639,348.22
Decrease during the year	<b>(172,255,265.24)</b>	(139,257,590.90)
Closing balance	<b>787,864,000.33</b>	798,598,254.47

*Of which, the details of government grants are as follows:*

Items	Unit: RMB	
	31 December 2025	31 December 2024
Government grants related to assets		
Environmental protection and industrial development projects	<b>475,958,578.78</b>	556,482,319.30
Relocation compensation	<b>52,975,812.90</b>	131,857,891.26
Others	<b>182,188,461.68</b>	104,709,265.92
Government grants related to income		
Research and development funds	<b>3,786,303.27</b>	5,548,777.99
Total	<b>714,909,156.63</b>	798,598,254.47

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 44. Deferred income

The reasons for the formation of significant deferred income items are as follows:

31 December 2025

Unit: RMB

Items	Included in profit			Closing balance	Related to assets/gains
	Opening balance	Increase in the year	or loss during the year		
Asset subsidy for relocation compensation of Tiantan	124,871,983.14	7,210,000.00	(79,106,170.24)	52,975,812.90	Related to assets
Subsidy for environmental protection equipment for Bio-Island project	49,610,549.72	-	(15,264,784.56)	34,345,765.16	Related to assets
Appropriation for mud project of Beijing Cement Plant	6,191,486.02	-	(3,452,317.35)	2,739,168.67	Related to assets
Tangshan Qixin Cement Industry Museum Project	40,823,658.93	-	(1,353,886.08)	39,469,772.85	Related to assets
Grant of Liushui construction garbage project	22,043,999.96	-	(2,449,333.39)	19,594,666.57	Related to assets
Replacement subsidy for Jianyuan	16,214,622.65	-	(1,179,245.28)	15,035,377.37	Related to assets
Zanhuang collaborative disposal of household garbage and sludge project	9,115,500.00	-	(1,062,000.00)	8,053,500.00	Related to assets
Special subsidies to support the development of advanced manufacturing and modern service industries	10,676,500.00	-	(786,000.00)	9,890,500.00	Related to assets
Grant of Heilongjiang industrial production project	8,229,397.68	-	(1,028,674.68)	7,200,723.00	Related to assets
Project of the production line with a capacity of 4,600 tonnes of cement clinkers in Hechuan	11,193,293.64	-	(322,109.16)	10,871,184.48	Related to assets
Central budget investment plan for pollution control and energy conservation and carbon reduction projects (focused on energy conservation and carbon reduction) in 2022	17,333,333.34	33,200,000.00	(4,653,333.33)	45,880,000.01	Related to assets
Environmental protection and governance fee project	6,726,222.17	-	(501,333.36)	6,224,888.81	Related to assets
Subsidy funds for SCR denitrification project	7,625,333.32	-	(544,666.68)	7,080,666.64	Related to assets
SCR collaborative disposal project	7,567,000.00	-	(568,019.19)	6,998,980.81	Related to assets
A technology demonstration production line for capturing, storing, and utilizing 100,000 tonnes of carbon dioxide per year	21,930,000.00	-	-	21,930,000.00	Related to assets
Special fund for energy conservation and carbon reduction	11,000,000.00	11,000,000.00	(733,333.32)	21,266,666.68	Related to assets
SCR denitration management subsidy from Lincheng Branch of Xingtai Ecological Environment Bureau	12,510,700.64	-	(834,046.67)	11,676,653.97	Related to assets
VAT additional tax deduction	6,156,593.76	996,047.06	-	7,152,640.82	Related to assets
Government special-purpose fund for the Innovation Center project	-	36,460,000.00	-	36,460,000.00	Related to assets
<b>Total</b>	<b>389,820,174.97</b>	<b>88,866,047.06</b>	<b>(113,839,253.29)</b>	<b>364,846,968.74</b>	

## Notes to Financial Statements

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)****44. Deferred income (Continued)**

The reasons for the formation of significant deferred income items are as follows: (Continued)

31 December 2024

Unit: RMB

Items	Opening balance	Increase in the year	Included in profit or loss during the year	Closing balance	Related to assets/gains
Asset subsidy for relocation compensation of Tiantan	129,946,980.39	155,000.00	(5,229,997.25)	124,871,983.14	Related to assets
Subsidy for environmental protection equipment for Bio-Island project	64,875,334.28	-	(15,264,784.56)	49,610,549.72	Related to assets
Appropriation for mud project of Beijing Cement Plant	9,906,377.68	-	(3,714,891.66)	6,191,486.02	Related to assets
Tangshan Qixin Cement Industry Museum Project	42,177,545.01	-	(1,353,886.08)	40,823,658.93	Related to assets
Grant of Liushui construction garbage project	24,493,333.34	-	(2,449,333.38)	22,043,999.96	Related to assets
Relocation compensation for Jianji	39,151,515.61	-	(39,151,515.61)	-	Related to assets
Replacement subsidy for Jianyuan	17,393,867.93	-	(1,179,245.28)	16,214,622.65	Related to assets
Zanhuang collaborative disposal of household garbage and sludge project	10,177,500.00	-	(1,062,000.00)	9,115,500.00	Related to assets
Special subsidies to support the development of advanced manufacturing and modern service industries	11,462,500.00	-	(786,000.00)	10,676,500.00	Related to assets
Grant of Heilongjiang industrial production project	9,258,072.36	-	(1,028,674.68)	8,229,397.68	Related to assets
Project of the production line with a capacity of 4,600 tonnes of cement clinkers in Hechuan	11,515,402.80	-	(322,109.16)	11,193,293.64	Related to assets
Central budget investment plan for pollution control and energy conservation and carbon reduction projects (focused on energy conservation and carbon reduction) in 2022	18,666,666.67	-	(1,333,333.33)	17,333,333.34	Related to assets
Environmental protection and governance fee project	7,227,555.52	-	(501,333.35)	6,726,222.17	Related to assets
Subsidy funds for SCR denitrification project	8,170,000.00	-	(544,666.68)	7,625,333.32	Related to assets
SCR collaborative disposal project	8,131,000.00	-	(564,000.00)	7,567,000.00	Related to assets
A technology demonstration production line for capturing, storing, and utilizing 100,000 tonnes of carbon dioxide per year	21,930,000.00	-	-	21,930,000.00	Related to assets
Special fund for energy conservation and carbon reduction	-	11,000,000.00	-	11,000,000.00	Related to assets
SCR denitration management subsidy from Lincheng Branch of Xingtai Ecological Environment Bureau	-	12,510,700.64	-	12,510,700.64	Related to assets
VAT additional tax deduction	-	6,156,593.76	-	6,156,593.76	Related to assets
<b>Total</b>	<b>434,483,651.59</b>	<b>29,822,294.40</b>	<b>(74,485,771.02)</b>	<b>389,820,174.97</b>	

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 45. Other non-current liabilities

Item	Unit: RMB	
	31 December 2025	31 December 2024
Commercial mortgage-backed securities	1,658,378,539.18	-

The Group's commercial mortgage-backed security "Ping An-Jinyu Shanyue Jiayuan Public Rental Housing Asset-Backed Special Plan" (平安-金隅山樾嘉園公租房資產支持專項計劃) was established and commenced operations on 28 March 2025. The asset-backed special plan includes priority tranche and subordinated tranches: the priority tranche has an issuance size of RMB1.656 billion, with an annual interest rate of 2.44 % and a duration of 18 years; the subordinated tranche has an issuance size of RMB1 million, with no fixed yield and obtaining excess returns, and its duration is 18 years and its principal amount will be paid in a lump sum upon maturity. The asset-backed special plan is secured by the real-property ownership of the Shanyue Jiayuan public rental housing project.

#### 46. Share capital

31 December 2025

Items	Unit: RMB			
	Movements during the year			
	Opening balance	Shares released from lock-up period	Subtotal	Closing balance
I. Shares subject to lock-up restriction				
1. State-owned legal person shareholdings	-	-	-	-
2. Other domestic shareholdings	4,848,000.00	-	-	4,848,000.00
Total shares subject to lock-up restriction	4,848,000.00	-	-	4,848,000.00
II. Shares not subject to lock-up restriction				
1. RMB ordinary shares	8,334,158,264.00	-	-	8,334,158,264.00
2. Overseas listed foreign shares	2,338,764,870.00	-	-	2,338,764,870.00
Total shares not subject to lock-up restriction	10,672,923,134.00	-	-	10,672,923,134.00
Total share capital	10,677,771,134.00	-	-	10,677,771,134.00

**Notes to Financial Statements**

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)****46. Share capital (Continued)**

31 December 2024

Unit: RMB

Items	Opening balance	Movements during the year		Subtotal	Closing balance
		Shares released from lock-up period			
I. Shares subject to lock-up restriction					
1. State-owned legal person shareholdings	-	-	-	-	-
2. Other domestic shareholdings	4,848,000.00	-	-	-	4,848,000.00
Total shares subject to lock-up restriction	4,848,000.00	-	-	-	4,848,000.00
II. Shares not subject to lock-up restriction					
1. RMB ordinary shares	8,334,158,264.00	-	-	-	8,334,158,264.00
2. Overseas listed foreign shares	2,338,764,870.00	-	-	-	2,338,764,870.00
Total shares not subject to lock-up restriction	10,672,923,134.00	-	-	-	10,672,923,134.00
Total share capital	10,677,771,134.00	-	-	-	10,677,771,134.00

## Notes to Financial Statements

For the year ended 31 December 2025

## V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 47. Other equity instruments

#### Perpetual bonds

Items	At the beginning of the year		Increase during the year		Decrease during the year		At the end of the year	
	Amount	Carrying value	Amount	Carrying value	Amount	Carrying value	Amount	Carrying value
Perpetual bonds - 2022 First Tranche of Renewable Corporate Bonds (22 BBMG Y1)	10,000,000.00	1,000,000,000.00	-	-	10,000,000.00	1,000,000,000.00	-	-
Perpetual bonds - 2022 First Tranche of Renewable Corporate Bonds (22 BBMG Y2)	5,000,000.00	500,000,000.00	-	-	-	-	5,000,000.00	500,000,000.00
Perpetual bonds - 2022 Second Tranche of Renewable Corporate Bonds (22 BBMG Y4)	15,000,000.00	1,500,000,000.00	-	-	-	-	15,000,000.00	1,500,000,000.00
Perpetual bonds - 2022 Third Tranche of Renewable Corporate Bonds (22 BBMG Y5)	20,000,000.00	2,000,000,000.00	-	-	20,000,000.00	2,000,000,000.00	-	-
Perpetual bonds - 2022 Third Tranche of Renewable Corporate Bonds (22 BBMG Y6)	5,000,000.00	500,000,000.00	-	-	-	-	5,000,000.00	500,000,000.00
Jiangsu Trust Perpetual Bonds Investment	49,990,000.00	4,999,000,000.00	-	-	-	-	49,990,000.00	4,999,000,000.00
Perpetual bonds - 2023 First Tranche of Medium-term Notes	20,000,000.00	1,998,407,000.00	-	-	20,000,000.00	1,998,407,000.00	-	-
Perpetual bonds - 2023 Second Tranche of Medium-term Notes	20,000,000.00	1,997,900,000.00	-	-	20,000,000.00	1,997,900,000.00	-	-
Perpetual bonds - 2023 First Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY02)	20,000,000.00	1,994,000,000.00	-	-	-	-	20,000,000.00	1,994,000,000.00
Perpetual bonds - 2023 Second Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY03)	20,000,000.00	1,994,000,000.00	-	-	-	-	20,000,000.00	1,994,000,000.00
Perpetual bonds - 2023 Third Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY04)	5,000,000.00	498,500,000.00	-	-	5,000,000.00	498,500,000.00	-	-
Perpetual bonds - 2023 Third Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY05)	30,000,000.00	2,991,300,000.00	-	-	-	-	30,000,000.00	2,991,300,000.00
Perpetual bonds - 2023 Fourth Tranche of Medium-term Notes	15,000,000.00	1,488,416,000.00	-	-	15,000,000.00	1,488,416,000.00	-	-
Perpetual bonds - 2023 Fifth Tranche of Medium-term Notes	10,000,000.00	998,437,000.00	-	-	10,000,000.00	998,437,000.00	-	-
Perpetual bonds - 2023 Sixth Tranche of Medium-term Notes	15,000,000.00	1,488,416,000.00	-	-	15,000,000.00	1,488,416,000.00	-	-
Perpetual bonds - 2024 First Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY06)	15,000,000.00	1,486,250,000.00	-	-	-	-	15,000,000.00	1,486,250,000.00
2024 Second Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY07)	10,000,000.00	997,500,000.00	-	-	-	-	10,000,000.00	997,500,000.00
2024 Second Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY08)	5,000,000.00	498,750,000.00	-	-	-	-	5,000,000.00	498,750,000.00
2024 Third Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY09)	5,000,000.00	498,833,333.33	-	-	-	-	5,000,000.00	498,833,333.33
2024 Third Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY10)	10,000,000.00	997,666,666.67	-	-	-	-	10,000,000.00	997,666,666.67
Perpetual bonds - 2025 First Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY11)	-	-	5,000,000.00	499,000,000.00	-	-	5,000,000.00	499,000,000.00
Perpetual bonds - 2025 First Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY12)	-	-	10,000,000.00	997,500,000.00	-	-	10,000,000.00	997,500,000.00
Perpetual bonds - 2025 Second Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY13)	-	-	-	997,500,000.00	-	-	-	997,500,000.00
Perpetual bonds - 2025 First Tranche of Medium-term Notes (25 BBMG MTN001)	-	-	13,000,000.00	1,297,750,000.00	-	-	13,000,000.00	1,297,750,000.00
Perpetual bonds - 2025 Third Tranche of Scientific and Technological Innovation Bonds (25 BBMG MTN003 (Sci-tech Innovation Bonds))	-	-	15,000,000.00	1,497,750,000.00	-	-	15,000,000.00	1,497,750,000.00
Perpetual bonds - 2025 Fourth Tranche of Scientific and Technological Innovation Bonds (25 BBMG MTN004 (Sci-tech Innovation Bonds))	-	-	15,000,000.00	1,497,750,000.00	-	-	15,000,000.00	1,497,750,000.00
Perpetual bonds - 2025 Fifth Tranche of Medium-term Notes (25 BBMG MTN005)	-	-	15,000,000.00	1,497,750,000.00	-	-	15,000,000.00	1,497,750,000.00
Perpetual bonds - 2025 Sixth Tranche of Medium-term Notes (25 BBMG MTN006)	-	-	15,000,000.00	1,497,750,000.00	-	-	15,000,000.00	1,497,750,000.00
Perpetual bonds - 2025 Eighth Tranche of Medium-term Notes (25 BBMG MTN008)	-	-	14,900,000.00	1,488,500,000.00	-	-	14,900,000.00	1,488,500,000.00
Total	304,990,000.00	30,487,376,000.00	112,900,000.00	11,271,250,000.00	115,000,000.00	11,490,076,000.00	302,890,000.00	30,238,550,000.00

Unit: RMB

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 47. Other equity instruments (Continued)

(1) *According to the Prospectus, the major terms of the medium-term notes are as follows:*

Maturity date	The medium-term notes have no fixed maturity date, and will expire when the Company redeems the bonds according to the requirement of issuance provisions.
Option of deferred payment of interest	Unless a mandatory interest payment event has occurred, on each interest payment date of the medium-term notes, the Company can elect to defer payment of interest due and all interest deferred according to the issuance provisions and its fruits to the next interest payment date without any limitation on the number of times of such deferral. The foregoing deferred interest payment does not make the Company fail to pay the interest in full according to the requirement. Interest shall accrue on each of the deferred interest at the prevailing coupon rate over the period of deferral. If the Company chooses to defer interest payment, the "Interest Deferral Payment Notice" shall be disclosed by the Company on a website approved by the NAFMII within ten working days before the interest payment date.
Mandatory interest payment event	If any of the following events occurs within 12 months prior to the interest payment date, the Company shall not defer the payment of interest due or all interest deferred pursuant to this term and its fruits: (1) distributing dividends to ordinary shareholders; (2) reducing the registered capital.
Option to redeem	The Company has the option to redeem the medium-term notes at par value plus payable interest (including all deferred interest and its fruits (if any)) on each redemption date of the medium-term notes.
Interest rate determination	The medium-term notes bear interest at a fixed rate and contain step-up terms for the coupon rate.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 47. Other equity instruments (Continued)

(2) According to the Perpetual Bonds Investment Contract of Jiangsu Trust - BBMG No. 1 Assembled Funds Trust Plan (《江蘇信託-金隅1號集合資金信託計劃之永續債權投資合同》), the major terms of Jiangsu Trust Perpetual Bonds Investment are as follows:

Maturity date	No fixed maturity date. The investment period under this Contract shall be 7+N (N=0, 1, 2, 3.....), which shall last for a long time before the Company applies for the expiration of this contract according to the provisions of this Contract or the Investor announces the early expiration of the investment under this Contract according to the provisions of this Contract, and expire on the expiration date stipulated in the Application for Investment Expiration of the i-th Investment Fund sent by the Company or at the time when the Investor announces the early expiration of the investment under this Contract according to the provisions of this Contract. The first seven years after the release of each investment fund shall be the initial investment period, and each subsequent year shall be an investment period. The Company shall have the right to choose to apply for the maturity of the investment fund prior 90 days of the expiration date of each investment period. If the Company chooses to apply for the maturity of the investment fund, such investment fund shall expire when the current investment period expires, and the Company shall, according to the provisions of this Contract, fully pay such investment fund, the investment income (including the deferred investment income under such investment fund) and other payable.
Deferred distribution	Unless a compulsory payment event occurs, the Company can choose to postpone the payment of the current i-th investment income corresponding to the i-th investment fund and all the i-th investment income deferred according to this Article to the next payment date on each i-th investment income payment date under this Contract, without any restriction on the number of deferred payments. The above deferral of the i-th investment income will not constitute the Company's failure to pay the i-th investment income to the Investor in full according to the provisions of this Contract. If the Company chooses deferred payment, it shall send a notice of deferred payment to the Investor 10 working days in advance.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 47. Other equity instruments (Continued)

(2) According to the Perpetual Bonds Investment Contract of Jiangsu Trust - BBMG No. 1 Assembled Funds Trust Plan (《江蘇信託-金隅1號集合資金信託計劃之永續債權投資合同》), the major terms of Jiangsu Trust Perpetual Bonds Investment are as follows: (Continued)

Mandatory distribution payment events	<p>If the Company has any of the following events within 12 months before the payment date of any i-th investment income, the Company shall not defer the payment of the current i-th investment income and all the deferred i-th investment income:</p> <ol style="list-style-type: none"> <li>(1) paying dividends to shareholders;</li> <li>(2) reducing the registered capital;</li> <li>(3) making any form of interest payment or payment with respect to other perpetual bonds or securities or creditor's rights with the same repayment order as or inferior repayment order than the Perpetual Bonds.</li> </ol>
Redemption and purchase	<p>Before 90 days of the expiration date of each investment period, the Company shall have the right, according to the provisions of this Contract, fully pay such investment fund, the investment income (including the deferred investment income under such investment fund) and other amounts payable.</p>
Interest rate determination	<p>The Perpetual Bonds shall bear interest at the fixed rate of return within the previous 7 years;</p> <p>The investment income will be adjusted on the day immediately after the expiration date of the 7th year from the starting date of the i-th investment period. The adjusted interest rate will be the original applicable investment income rate plus 300bp, and such investment income rate will remain unchanged thereafter.</p>

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 47. Other equity instruments (Continued)

(3) According to the Prospectus, the major terms of the Renewable Corporate Bonds are as follows:

Maturity date	The basic period of the Bonds shall be 2, 3 or 5 years, with every 2, 3 or 5 interest-bearing years as a cycle (repricing cycle). The Company has the option of renewal at the end of each agreed period, and the Company has the right to choose to extend the period of the Bonds for one cycle, or choose to pay the Bonds in full at the expiration of the repricing cycle.
Deferred distribution	Unless a mandatory interest payment event has occurred, on each interest payment date of the current bonds, the Company can elect to defer payment of interest due and all interest deferred according to the provisions and its fruits to the next interest payment date without any limitation on the number of times of such deferral. The foregoing deferred interest payment does not make the Company fail to pay the interest in full according to the requirement.
Mandatory distribution payment events	If any of the following events occurs within 12 months prior to the interest payment date, the Company shall not defer the payment of interest due or all interest deferred as agreed and its fruits: (1) distributing dividends to ordinary shareholders; (2) reducing the registered capital.
Redemption and purchase	The Company has no right or obligation to redeem the Bonds, except that the Company redeems the Bonds due to change of tax policies and change of accounting standards. If the Company redeems the Bonds, it will redeem all the Bonds from the investors with the par value plus the current interest, the deferred interest and its fruits (if any). The payment method of redemption will be the same as the payment method of the principal and interest due for the Bonds. The list of bondholders will be counted according to the relevant regulations of the registration authority of the Bonds, and it will be handled according to the relevant regulations of the registration authority of the Bonds.
Interest rate determination	The Renewable Bonds will be in the form of fixed interest rate, with simple interest bearing annual interest, excluding compound interest;  If there is any deferral, each deferred interest will accrue at the current coupon rate during the deferred period. The coupon rate of the first cycle of the Bonds shall be fixed in the first cycle, and then reset once every cycle;  The coupon rate of the first cycle shall be the initial benchmark interest rate plus the initial interest rate spread. If the Company exercises the renewal option at the end of the first cycle or a subsequent cycle, the coupon rate will be adjusted to the current benchmark interest rate plus the initial interest rate spread plus 300 basis points from the second cycle. After that, the coupon rate will be reset to the current benchmark interest rate plus the initial interest rate spread plus 300 basis points in each cycle, and so on, and such 300 basis points will not be superimposed progressively.

The interest rate of medium-term notes, Jiangsu Trust Perpetual Bonds and renewable corporate bonds of the Group was 2.06%-5.45%, and in 2025, the interest accrued was RMB978,896,001.02 and interest payable to specific investors amounted to RMB1,079,745,500.00 (2024: the interest accrued was RMB1,084,474,591.48 and interest payable to specific investors amounted to RMB890,745,963.02).

## Notes to Financial Statements

For the year ended 31 December 2025

### **V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

#### **47. Other equity instruments (Continued)**

(4) *Movements in medium-term notes and perpetual bonds for this year:*

Note 1: In January 2025, the Company redeemed the Perpetual bonds-2022 First Tranche of Renewable Corporate Bonds (22 BBMG Y1) at its par value of RMB1.0 billion.

Note 2: In March 2025, the Company redeemed the Perpetual bonds-2023 First Tranche of Medium-term Notes at its par value of RMB2.0 billion.

Note 3: In May 2025, the Company redeemed the Perpetual bonds-2023 Second Tranche of Medium-term Notes at its par value of RMB2.0 billion.

Note 4: In June 2025, the Company redeemed the Perpetual bonds-2023 Third Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY04) at its par value of RMB0.5 billion.

Note 5: In August 2025, the Company redeemed the Perpetual bonds-2022 Third Tranche of Renewable Corporate Bonds (22 BBMG Y5) at its par value of RMB2.0 billion.

Note 6: In September 2025, the Company redeemed the Perpetual bonds-2023 Fourth Tranche of Medium-term Notes at its par value of RMB1.5 billion.

Note 7: In October 2025, the Company redeemed the Perpetual bonds-2023 Fifth Tranche of Medium-term Notes at its par value of RMB1.0 billion.

Note 8: In November 2025, the Company redeemed the Perpetual bonds-2023 Sixth Tranche of Medium-term Notes at its par value of RMB1.5 billion.

Note 9: In April, June, July, August, and November 2025, the Company issued the BBMG KY11, BBMG KY12, BBMG KY13 (hereinafter referred to as "Renewable Corporate Bonds"), the 25 BBMG MTN001 (hereinafter referred to as "Medium-term Notes"), and the 25 BBMG MTN003 (Sci-tech Innovation Bonds), 25 BBMG MTN004 (Sci-tech Innovation Bonds), 25 BBMG MTN005 (Sci-tech Innovation Bonds), 25 BBMG MTN006 (Sci-tech Innovation Bonds), 25 BBMG MTN008 (Sci-tech Innovation Bonds) (hereinafter referred to as "Sci-tech Innovation Bonds"). The actual total issuance amount was RMB11.290 billion; after deducting underwriting fees and other related transaction costs, the Company received cash totalling RMB11.271 billion. Pursuant to the issuance provisions of the abovementioned Renewable Corporate Bonds and the Medium-term Notes, the Company has the right to pay cash interest annually at the stated interest rate, but has no contractual obligation to repay principal or to pay any interest. Unless a mandatory interest payment event has occurred, on each interest payment date of the Renewable Corporate Bonds and the Medium-term Notes, the Company can elect to defer payment of interest due and all interest deferred according to this provisions and its fruits to the next interest payment date without any limitation on the number of times of such deferral. The Company believes that the Sci-tech Innovation Bonds and the Medium-term Notes do not meet the definition of a financial liability. Consequently, the actual amount received after deducting the related transaction costs from the total issuance amount have been recognised as equity, and any declared distributions of interest are accounted for as a distribution of profits.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 48. Capital reserve

31 December 2025

Item	Unit: RMB			
	Opening balance	Increase during the year	Decrease during the year	Closing balance
Capital reserve	5,038,256,982.55	-	(22,056,847.30)	5,016,200,135.25

31 December 2024

Item	Unit: RMB			
	Opening balance	Increase during the year	Decrease during the year	Closing balance
Capital reserve	5,461,112,758.98	-	(422,855,776.43)	5,038,256,982.55

**Notes to Financial Statements**

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)****49. Other comprehensive income (Continued)**

Accumulated balance of other comprehensive income attributable to shareholders of the parent company in the consolidated balance sheet:

**31 December 2025**

Unit: RMB

Items	Transfer of other comprehensive income			31 December 2025
	1 January 2025	Increase/(decrease)	to retained earnings	
Changes arising from re-measurement of defined benefit plans	114,428,403.64	16,594,075.30	-	131,022,478.94
Changes in fair value of investment in other equity instruments	(209,102,699.14)	11,667,939.92	(4,233,075.20)	(201,667,834.42)
Other comprehensive income that can be transferred to profit or loss under the equity method	(13,446,690.97)	5,868,575.61	-	(7,578,115.36)
Changes in fair value of other debt instruments	-	(578,925.00)	-	(578,925.00)
Exchange differences on foreign currency translation	32,041,651.79	(3,943,593.01)	-	28,098,058.78
The difference between the fair value and the carrying value of the self-occupied properties or inventories on the date when it changed to the investment properties measured with the fair value model	749,269,026.58	86,566,102.31	-	835,835,128.89
Cash flow hedging reserves	(733,367.25)	-	-	(733,367.25)
<b>Total</b>	<b>672,456,324.65</b>	<b>116,174,175.13</b>	<b>(4,233,075.20)</b>	<b>784,397,424.58</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 49. Other comprehensive income (Continued)

31 December 2024

Items	Unit: RMB		
	1 January 2024	Increase/(decrease)	31 December 2024
Changes arising from re-measurement of defined benefit plans	123,455,001.20	(9,026,597.56)	114,428,403.64
Changes in fair value of investment in other equity instruments	(230,423,962.84)	21,321,263.70	(209,102,699.14)
Other comprehensive income that can be transferred to profit or loss under the equity method	(15,000,713.70)	1,554,022.73	(13,446,690.97)
Exchange differences on foreign currency translation	36,119,124.17	(4,077,472.38)	32,041,651.79
The difference between the fair value and the carrying value of the self-occupied properties or inventories on the date when it changed to the investment properties measured with the fair value model	718,946,168.48	30,322,858.10	749,269,026.58
Cash flow hedging reserves	(733,367.25)	-	(733,367.25)
<b>Total</b>	<b>632,362,250.06</b>	<b>40,094,074.59</b>	<b>672,456,324.65</b>

**Notes to Financial Statements**

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)****49. Other comprehensive income (Continued)***Changes in other comprehensive income:***2025**

Items	Unit: RMB			
	Amount before tax	Less: Income tax	Attributable to the shareholders of the parent company	Attributable to minority shareholders
Other comprehensive income not allowed to be reclassified to profit or loss	33,566,688.20	4,016,655.29	28,262,015.22	1,288,017.69
Changes arising from re-measurement of defined benefit plans	28,397,584.00	7,099,396.00	16,594,075.30	4,704,112.70
Changes in fair value of investment in other equity instruments	5,169,104.20	(3,082,740.71)	11,667,939.92	(3,416,095.01)
Other comprehensive income to be reclassified into profit or loss	144,306,023.79	35,187,149.93	87,912,159.91	21,206,713.95
Other comprehensive income that can be transferred to profit or loss under the equity method	10,796,386.30	-	5,868,575.61	4,927,810.69
Changes in fair value of other debt instruments	(771,900.00)	(192,975.00)	(578,925.00)	-
Exchange differences on foreign currency translation	(7,238,962.21)	-	(3,943,593.01)	(3,295,369.20)
The difference between the fair value and the carrying value of the self-occupied properties or inventories on the date when it changed to the investment properties measured with the fair value model	141,520,499.70	35,380,124.93	86,566,102.31	19,574,272.46
<b>Total</b>	<b>177,872,711.99</b>	<b>39,203,805.22</b>	<b>116,174,175.13</b>	<b>22,494,731.64</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 49. Other comprehensive income (Continued)

*Changes in other comprehensive income:*

2024

Items	Amount before tax	Less: Income tax	Unit: RMB	
			Attributable to the shareholders of the parent company	Attributable to minority shareholders
Other comprehensive income not allowed to be reclassified to profit or loss	(7,482,111.58)	1,183,956.67	12,294,666.14	(20,960,734.39)
Changes arising from re-measurement of defined benefit plans	(12,217,938.26)	-	(9,026,597.56)	(3,191,340.70)
Changes in fair value of investment in other equity instruments	4,735,826.68	1,183,956.67	21,321,263.70	(17,769,393.69)
Other comprehensive income to be reclassified into profit or loss	38,290,456.05	10,107,619.37	27,799,408.45	383,428.23
Other comprehensive income that can be transferred to profit or loss under the equity method	2,858,927.08	-	1,554,022.73	1,304,904.35
Exchange differences on foreign currency translation	(4,998,948.50)	-	(4,077,472.38)	(921,476.12)
The difference between the fair value and the carrying value of the self-occupied properties or inventories on the date when it changed to the investment properties measured with the fair value model	40,430,477.47	10,107,619.37	30,322,858.10	-
<b>Total</b>	<b>30,808,344.47</b>	<b>11,291,576.04</b>	<b>40,094,074.59</b>	<b>(20,577,306.16)</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 50. Specific reserve

31 December 2025

Item	Unit: RMB			
	Opening balance	Increase during the year	Decrease during the year	Closing balance
Production safety cost	79,233,220.09	170,863,465.30	(217,150,369.66)	32,946,315.73

31 December 2024

Item	Unit: RMB			
	Opening balance	Increase during the year	Decrease during the year	Closing balance
Production safety cost	68,415,551.23	190,121,423.59	(179,303,754.73)	79,233,220.09

Pursuant to the requirements of the Administrative Measures on Provision and Usage of Production Safety Cost of Enterprises (Caizi [2022] No.136) jointly issued by the Ministry of Finance and the Ministry of Emergency Management(Caizi [2022] No.136), the Group accrues production safety fund for the stipulated non-metal mineral products industries. These costs are included in the cost of the related products or in profit or loss for the period, with a corresponding transfer to the special reserve.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 51. Surplus reserve

31 December 2025

Item	Unit: RMB			
	Opening balance	Increase during the year	Decrease during the year	Closing balance
Statutory surplus reserve	3,032,786,180.00	103,776,761.30	-	3,136,562,941.30

31 December 2024

Item	Unit: RMB			
	Opening balance	Increase during the year	Decrease during the year	Closing balance
Statutory surplus reserve	2,935,800,236.68	96,985,943.32	-	3,032,786,180.00

According to the requirements of the Company Law and the Articles of Association of the Company, the Company shall appropriate 10% of its net profit to the statutory surplus reserve. In the event that the accumulated statutory surplus reserve of the Company has exceeded 50% of the registered capital of the Company, additional appropriation will not be needed. After the appropriation to statutory surplus reserve, the Company may make appropriation to the discretionary surplus reserve. Upon approval, discretionary surplus reserve can be used to make up for losses from previous years or to increase the share capital.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 52. General risk reserve

31 December 2025

Item	Unit: RMB		
	Opening balance	Increase during the year	Closing balance
General risk reserve	497,216,299.67	-	497,216,299.67

31 December 2024

Item	Unit: RMB		
	Opening balance	Increase during the year	Closing balance
General risk reserve	496,135,862.64	1,080,437.03	497,216,299.67

The general risk reserve is made by the Company's subsidiary Beijing BBMG Finance Co., Ltd., based on a certain ratio of the balance of risk assets at the end of the period pursuant to the Administrative Measures on Provision of Reserves of Financial Enterprises (《金融企業準備金計提管理辦法》) issued by the Ministry of Finance.

#### 53. Retained earnings

Items	Unit: RMB	
	2025	2024
Retained earnings as at the beginning of the year	23,262,404,290.69	25,267,051,623.61
Net profit attributable to the shareholders of the parent company	(1,009,466,516.70)	(555,162,082.74)
Less: Interest of perpetual bonds	978,896,001.02	1,084,474,591.48
Appropriation of surplus reserve	103,776,761.30	96,985,943.32
Appropriation of general risk reserve	-	1,080,437.03
Distribution of cash dividends	533,888,556.70	266,944,278.35
Others	4,233,075.20	-
Retained earnings at the end of the year	20,640,609,530.17	23,262,404,290.69

Upon the consideration and approval by the 2024 annual general meeting of the Company convened on 23 May 2025, this profit distribution was calculated based on total share capital of the Company of 10,677,771,134 shares before implementation of the plan, with the distribution of a cash dividend of RMB0.05 per share (tax inclusive) in an aggregate amount of cash dividends of RMB533,888,556.70.

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 54. Operating revenue and costs

Unit: RMB

Items	2025		2024	
	Revenue	Costs	Revenue	Costs
Principal operations	90,611,561,783.18	79,950,374,077.48	109,754,863,645.13	98,870,166,420.33
Other operations	501,538,431.58	220,413,490.92	956,955,753.61	263,674,925.52
<b>Total</b>	<b>91,113,100,214.76</b>	<b>80,170,787,568.40</b>	<b>110,711,819,398.74</b>	<b>99,133,841,345.85</b>

Operating revenue are as follows:

Unit: RMB

Items	2025	2024
Revenue from contracts with customers	89,101,823,451.62	108,571,309,267.16
Rental income	1,773,524,842.20	1,914,028,399.71
<i>Including: Rental income from investment properties</i>	<b>1,551,522,129.01</b>	<b>1,658,260,812.38</b>
<i>Other rental income</i>	<b>222,002,713.19</b>	<b>255,767,587.33</b>
Interest income	237,751,920.94	226,481,731.87
<b>Total</b>	<b>91,113,100,214.76</b>	<b>110,711,819,398.74</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 54. Operating revenue and costs (Continued)

Disaggregated operating revenue is as follows:

Reportable segments	Unit: RMB	
	2025	2024
<b>Types of goods</b>		
Sale of products	<b>35,013,714,776.49</b>	31,923,127,688.77
Sale of properties	<b>8,193,401,970.24</b>	29,153,652,308.36
Income from decoration	<b>1,536,920,791.23</b>	1,966,238,450.64
Rental income	<b>1,773,524,842.20</b>	1,914,028,399.71
Property management	<b>1,200,598,467.36</b>	1,040,421,870.19
Treatment of solid wastes	<b>880,916,177.78</b>	961,981,779.89
Hotel operation	<b>458,815,319.92</b>	474,518,558.84
Bulk commodity trade	<b>38,905,957,244.45</b>	39,778,731,324.60
Logistics and transportation	<b>1,359,005,072.48</b>	1,345,742,940.55
Interest income	<b>237,751,920.94</b>	226,481,731.87
Others	<b>1,552,493,631.67</b>	1,926,894,345.32
<b>Total</b>	<b>91,113,100,214.76</b>	110,711,819,398.74
<b>Operating regions</b>		
North China	<b>69,822,180,719.27</b>	74,631,502,493.64
Overseas	<b>6,782,659,672.27</b>	5,730,982,640.42
East China	<b>6,350,387,803.48</b>	21,223,985,915.22
Northwest China	<b>2,351,988,836.95</b>	2,641,682,737.89
Northeast China	<b>2,581,059,919.18</b>	1,788,615,208.02
Southwest China	<b>1,796,922,363.37</b>	2,072,627,638.83
Central China	<b>1,045,344,618.92</b>	840,199,850.06
South China	<b>382,556,281.32</b>	1,782,222,914.66
<b>Total</b>	<b>91,113,100,214.76</b>	110,711,819,398.74
<b>Time of transfer of goods</b>		
At a point in time	<b>85,024,572,695.33</b>	104,128,148,607.60
Over time	<b>6,088,527,519.43</b>	6,583,670,791.14
<b>Total</b>	<b>91,113,100,214.76</b>	110,711,819,398.74

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 54. Operating revenue and costs (Continued)

Disaggregated operating costs are as follows:

Reportable segments	Unit: RMB	
	2025	2024
<b>Types of goods</b>		
Sale of products	28,875,897,504.36	26,581,497,568.32
Sale of properties	7,393,705,868.19	27,226,085,307.34
Income from decoration	1,134,028,306.82	1,461,146,490.72
Rental income	144,353,535.76	265,836,975.77
Property management	923,264,615.09	800,963,286.29
Treatment of solid wastes	643,877,038.72	667,168,687.34
Hotel operation	295,702,776.83	312,565,876.50
Bulk commodity trade	38,813,429,330.20	39,594,936,886.40
Logistics and transportation	1,438,952,261.23	1,400,465,476.14
Interest income	-	-
Others	507,576,331.20	823,174,791.03
<b>Total</b>	<b>80,170,787,568.40</b>	<b>99,133,841,345.85</b>
<b>Operating regions</b>		
North China	61,173,150,373.79	65,796,081,491.81
Overseas	6,730,249,498.58	5,698,933,289.74
East China	6,029,395,542.68	20,345,280,688.52
Northwest China	1,731,607,001.13	1,833,499,627.62
Northeast China	1,733,299,250.67	1,145,457,773.37
Southwest China	1,568,949,924.24	1,877,008,966.65
Central China	852,969,914.25	719,797,519.93
South China	351,166,063.06	1,717,781,988.21
<b>Total</b>	<b>80,170,787,568.40</b>	<b>99,133,841,345.85</b>
<b>Time of transfer of goods</b>		
At a point in time	77,029,561,295.18	95,626,160,029.23
Over time	3,141,226,273.22	3,507,681,316.62
<b>Total</b>	<b>80,170,787,568.40</b>	<b>99,133,841,345.85</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 54. Operating revenue and costs (Continued)

The information related to the Group's performance obligations is as follows:

Type of business	Time to fulfill contractual obligations	Key payment terms	Nature of goods promised to transfer	Whether they are the primary responsible party	Amounts expected to be refunded to customers	Types of quality guarantees provided and related obligations
Cement and clinker	Outbound receipt	Receipts in advance, credit sales	Mainly selling cement, clinker	Yes	Nil	Statutory warranty
Concrete	At the time of delivery/outbound receipt	Receipts in advance, credit sales	Mainly selling concrete	Yes	Nil	Statutory warranty
Disposal of pollutants for environmental enterprises	Based on the amount of disposal	Settlement after disposal	Mainly disposing of sludge, waste soil, household wastes	Yes	Nil	Nil
Furniture	Outbound receipt	Receipts in advance, credit sales	Mainly selling furniture material products	Yes	Nil	Statutory warranty
Refractory material	At the time of delivery/outbound receipt	Receipts in advance, initial acceptance payment, final acceptance payment	Mainly selling refractory materials	Yes	Nil	Statutory warranty
Decoration and renovation services	Based on the progress of the project	Receipts in advance, service progress acceptance payment	Mainly providing decoration and renovation services	Yes	Nil	Statutory warranty
Bulk commodities	Outbound receipt or transfer of ownership certificate	Receipts in advance, credit sales	Mainly selling bulk commodities such as electrolytic copper, iron ore, ethylene glycol, steel, coal, etc.	Yes	Nil	Statutory warranty
Real estate sales	At the time of property delivery	Receipts in advance for property	Mainly selling real estate, commercial properties	Yes	Nil	Statutory warranty
Revenue from property services and hotel management	During the service period	Regular payments within the agreed payment period as per the contract	Mainly providing property services, hotel services	Yes	Nil	Nil

#### 55. Tax and surcharges

Items	Unit: RMB	
	2025	2024
Real estate tax	<b>473,176,289.48</b>	449,389,365.55
Resource tax	<b>233,263,786.53</b>	204,539,544.13
Urban and rural land use tax	<b>200,929,588.01</b>	201,100,281.70
City maintenance and construction tax	<b>119,261,575.10</b>	137,639,604.73
Education surcharges	<b>97,151,915.00</b>	107,321,436.66
Stamp duty	<b>91,394,818.21</b>	91,678,473.69
Land appreciation tax	<b>62,085,292.14</b>	92,968,501.53
Green tax	<b>42,926,157.26</b>	57,934,219.28
Others	<b>6,338,100.29</b>	7,091,338.55
<b>Total</b>	<b>1,326,527,522.02</b>	1,349,662,765.82

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 56. Selling expenses

Items	Unit: RMB	
	2025	2024
Employee remuneration	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 travel expenses	29,743,127.64	47,112,694.61
Others	100,950,379.25	26,820,283.59
<b>Total</b>	<b>2,333,882,878.46</b>	<b>2,333,323,340.27</b>

#### 57. Administrative expenses

Items	Unit: RMB	
	2025	2024
Employee remuneration	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
Lease fee	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
<b>Total</b>	<b>6,611,840,995.86</b>	<b>6,648,396,353.40</b>

#### 58. Research and development expenses

Items	Unit: RMB	
	2025	2024
Employee remuneration	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
<b>Total</b>	<b>742,008,778.15</b>	<b>665,894,604.90</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 59. Finance costs

Items	Unit: RMB	
	2025	2024
Interest expense	<b>3,411,189,483.79</b>	4,053,324,558.47
Less: Interest income	<b>(235,822,071.41)</b>	(210,204,723.33)
Less: Amount of capitalized interest	<b>(601,393,233.32)</b>	(1,113,624,012.42)
Exchange gains	<b>(13,353,137.24)</b>	(15,058,309.02)
Handling charges	<b>30,595,839.90</b>	35,116,359.10
Others	<b>38,397,826.12</b>	47,693,969.61
<b>Total</b>	<b>2,629,614,707.84</b>	2,797,247,842.41

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

#### 60. Other gains

Government subsidies in relation to the ordinary activities are as follows:

Items	Unit: RMB		
	2025	2024	Related to assets/gains
Refunds of VAT	<b>292,362,627.74</b>	261,176,997.92	Related to gains
Grants on sale of heat	<b>5,362,500.00</b>	7,265,400.00	Related to gains
Income from other subsidies	<b>518,448,191.22</b>	336,245,261.72	Related to assets/gains
<b>Total</b>	<b>816,173,318.96</b>	604,687,659.64	

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 61. Investment gains

Items	Unit: RMB	
	2025	2024
Investment gains from disposal of long-term equity investments	273,343,223.52	(32,286,225.12)
Investment gains from disposal of financial assets	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
<b>Total</b>	<b>504,779,090.22</b>	<b>1,063,076,974.32</b>

#### 62. Gains from changes in fair value

Items	Unit: RMB	
	2025	2024
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
<b>Total</b>	<b>403,792,418.23</b>	<b>738,500,314.17</b>

#### 63. Credit impairment losses

Items	Unit: RMB	
	2025	2024
Expected credit gains on bills receivable	(7,304,227.70)	(6,498,578.95)
Expected credit gains on accounts receivable	(80,597,959.96)	(180,571,139.01)
Expected credit gains on other receivables	(8,043,254.65)	(26,754,794.18)
Expected credit losses/(gains) on long-term receivables	17,963,091.17	(8,420,355.15)
<b>Total</b>	<b>(77,982,351.14)</b>	<b>(222,244,867.29)</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 64. Asset impairment losses

Items	Unit: RMB	
	2025	2024
Losses on decline in value of inventory	<b>760,785,613.87</b>	939,944,867.62
Losses on impairment of fixed assets	<b>672,524,910.96</b>	229,704,602.74
Losses on impairment of contract assets	<b>9,624,503.05</b>	6,883,493.77
Losses on impairment of construction in progress	<b>2,114,702.85</b>	47,737.31
Losses on impairment of prepayments	<b>6,344,155.95</b>	1,744,064.92
Losses on impairment of goodwill	-	17,000,000.00
Losses on impairment of long-term equity investment	-	19,141,121.02
Others	-	13,906,165.11
<b>Total</b>	<b>1,451,393,886.68</b>	1,228,372,052.49

#### 65. Gains on disposal of assets

Items	Unit: RMB	
	2025	2024
Gains on disposal of intangible assets	<b>1,305,177,289.15</b>	388,595,013.84
Gains on disposal of fixed assets	<b>247,346,543.94</b>	809,569,676.43
Gains on disposal of inventories	<b>321,601,709.00</b>	-
Gains on disposal of investment properties	<b>119,478,816.00</b>	-
Others	<b>(622,173.31)</b>	847,317.71
<b>Total</b>	<b>1,992,982,184.78</b>	1,199,012,007.98

#### 66. Non-operating income

Items	Unit: RMB		
	2025	2024	Recognised in non-recurring profit and loss for 2025
Unpayable amounts	<b>249,504,432.66</b>	65,967,649.38	249,504,432.66
Gains on retirement of non-current assets	<b>31,899,674.76</b>	22,988,146.64	31,899,674.76
Government grants	<b>3,900,821.10</b>	6,592,261.88	3,900,821.10
Net gains from fines	<b>36,996,225.76</b>	37,283,713.71	36,996,225.76
Others	<b>245,339,384.34</b>	282,383,730.76	245,339,384.34
<b>Total</b>	<b>567,640,538.62</b>	415,215,502.37	567,640,538.62

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 67. Non-operating expenses

Items	Unit: RMB		
	2025	2024	Recognised in non-recurring profit and loss for 2025
Expenses on compensation, penalties and fines	116,350,907.83	72,771,838.87	116,350,907.83
Losses on retirement of non-current assets	21,846,233.65	53,351,767.89	21,846,233.65
Losses on debt restructuring	2,321,315.00	5,889,992.62	2,321,315.00
Expenses on charity donation	81,411.57	871,822.47	81,411.57
Other expenses	37,443,362.48	208,833,631.59	37,443,362.48
<b>Total</b>	<b>178,043,230.53</b>	<b>341,719,053.44</b>	<b>178,043,230.53</b>

#### 68. Expenses by nature

The supplemental information on the Group's operating costs, selling expenses, administrative expenses and R&D expenditure by nature is as follows:

Items	Unit: RMB	
	2025	2024
Procurement costs of tradable goods	38,813,429,330.20	39,594,936,886.40
Logistics and transportation costs	1,438,952,261.23	1,400,465,476.14
Consumption of raw materials	23,775,529,659.31	20,652,672,159.64
Fuel and energy costs	1,965,321,873.32	1,764,182,683.55
Cost of sales of real estate	7,393,705,868.19	27,226,085,307.34
Employee remunerations	7,265,863,610.75	7,453,205,360.64
Depreciation and amortisation	5,045,113,191.42	5,376,939,110.23
Changes in inventory of finished goods and work in progress	(66,660,286.36)	866,430,970.24
Maintenance expenses	677,261,038.04	868,031,231.76
Office expenses	1,324,236,337.78	1,426,292,023.26
Transportation fee	1,427,489,239.68	1,206,359,352.17
Others	798,278,097.31	945,855,083.05
<b>Total</b>	<b>89,858,520,220.87</b>	<b>108,781,455,644.42</b>

## Notes to Financial Statements

For the year ended 31 December 2025

## V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 69. Income tax expense

Items	Unit: RMB	
	2025	2024
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
<b>Total</b>	<b>1,538,990,082.86</b>	<b>1,990,308,295.08</b>

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

Items	Unit: RMB	
	2025	2024
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 of subsidiaries	(72,031,499.10)	(54,931,798.37)
Effect of adjustments on the 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
<b>Income tax expense at the effective tax rate of the Group</b>	<b>1,538,990,082.86</b>	<b>1,990,308,295.08</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 70. Earnings per share

Items	2025 RMB/share	2024 RMB/share
Earnings		
Net profit for the period attributable to shareholders of the Company	<b>(1,009,466,516.70)</b>	(555,162,082.74)
Less: Interests on other equity instrument	<b>978,896,001.02</b>	1,084,474,591.48
Shares		
Weighted average number of ordinary shares in issue of the Company	<b>10,677,771,134.00</b>	10,677,771,134.00
Basic earnings per share - continuing operations	<b>(0.19)</b>	(0.15)

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

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.

#### 71. Notes to items of statement of cash flows

##### (1) Cash related to operating activities

Items	2025	2024
Unit: RMB		
Cash received from other operating activities		
Interest income received	<b>121,582,053.04</b>	165,740,799.12
Principal and interest on financing sale-leaseback	<b>332,815,395.36</b>	502,903,006.94
Deposit and amounts collected on behalf, disbursements previously made and payment on behalf	<b>1,593,823,877.20</b>	3,092,922,304.96
Current accounts and other current account	<b>2,182,674,829.20</b>	2,000,137,561.95
Total	<b>4,230,896,154.80</b>	5,761,703,672.97
Cash paid for other operating activities		
Selling and administrative expenses etc. paid	<b>4,463,183,111.40</b>	2,847,700,173.05
Principal on financing sale-leaseback		510,000,000.00
Deposit and other amounts paid	<b>1,519,147,458.44</b>	3,187,741,852.98
Other current accounts	<b>3,743,531,260.02</b>	3,543,241,643.54
Total	<b>9,725,861,829.86</b>	10,088,683,669.57

**Notes to Financial Statements**

For the year ended 31 December 2025

**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)****71. Notes to items of statement of cash flows (Continued)****(2) Cash related to investing activities**

Items	Unit: RMB	
	2025	2024
Cash received from recovery of investment		
Redemption of financial assets	<b>2,580,754,387.90</b>	1,370,484,462.42
Disposal of equity and debt	<b>620,330,327.76</b>	1,564,310,952.19
<b>Total</b>	<b>3,201,084,715.66</b>	2,934,795,414.61
Cash paid for investments		
Payment for equity	<b>79,426,440.00</b>	243,733,203.59
Purchase of financial assets	<b>3,066,050,253.75</b>	2,795,908,389.49
<b>Total</b>	<b>3,145,476,693.75</b>	3,039,641,593.08
Cash received from other investing activities		
Disposal of financial products such as short-term funds or bonds	-	204,055,576.88
Collection of the principal and interest of borrowings from third parties	<b>147,000,000.00</b>	54,825,854.69
Collection of the principal and interest of borrowings from associates	<b>275,611,479.68</b>	-
<b>Total</b>	<b>422,611,479.68</b>	258,881,431.57
Cash paid for other investing activities		
Payment of borrowings from associates	<b>173,913,998.09</b>	319,779,000.00
Payment of asset divestment recognised prior to acquisition	<b>189,000,000.00</b>	-
Payment of borrowings from third parties	<b>78,000,000.00</b>	195,000,000.00
Payment for trust products	<b>290,000,000.00</b>	180,000,000.00
<b>Total</b>	<b>730,913,998.09</b>	694,779,000.00

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 71. Notes to items of statement of cash flows (Continued)

##### (3) Cash related to financing activities

Items	Unit: RMB	
	2025	2024
Cash received from other financing activities		
Commercial mortgage-backed securities	1,657,000,000.00	-
Proceeds from the subscription of incentive equity	90,637,800.00	267,548,000.00
Borrowings received from minority shareholders	154,684,671.97	-
Payment for equipment finance lease received	176,397,787.15	228,812,506.63
<b>Total</b>	<b>2,078,720,259.12</b>	<b>496,360,506.63</b>
Cash paid for other financing activities		
Payment for acquisition of minority interests	537,600,000.00	3,125,789,293.46
Repayment of borrowings of minority shareholders	334,684,671.97	128,865,341.03
Principal and interest of lease liabilities	287,878,934.09	229,684,177.00
Payment for finance lease	137,405,559.11	220,420,450.42
<b>Total</b>	<b>1,297,569,165.17</b>	<b>3,704,759,261.91</b>

##### The changes in liabilities generated from financing activities

Items	Unit: RMB					
	Opening balance	Increase during the year		Decrease during the year		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	28,335,162,449.14	28,529,247,632.25	253,262,272.99	31,440,941,956.04	-	25,676,730,396.34
Interest payable	-	-	2,632,977,409.52	2,632,977,409.52	-	-
Dividends payable	590,056,940.43	-	1,754,801,428.52	1,862,831,012.19	-	482,027,356.76
Long-term borrowings (including the portion due within one year)	60,730,330,344.92	25,433,614,963.54	-	11,136,565,898.25	-	75,027,379,410.21
Bonds payable (including the portion due within one year)	25,600,019,249.80	2,478,000,000.00	605,615,466.13	6,978,374,608.80	-	21,705,260,107.13
Lease liabilities (including the portion due within one year)	602,520,033.97	-	210,484,846.77	287,878,934.09	-	525,125,946.65
Short-term financing notes	6,026,458,630.14	4,000,000,000.00	85,729,863.01	9,111,544,109.59	-	1,000,644,383.56
Other non-current liabilities	-	1,657,000,000.00	1,378,539.18	-	-	1,658,378,539.18
<b>Total</b>	<b>121,884,547,648.40</b>	<b>62,097,862,595.79</b>	<b>5,544,249,826.12</b>	<b>63,451,113,928.48</b>	<b>-</b>	<b>126,075,546,141.83</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 72. Supplemental information to statement of cash flows

##### (1) Supplemental information to statement of cash flows

Reconciliation of net profit to cash flows from operating activities:

Items	Unit: RMB	
	2025	2024
Net profit	<b>(1,506,639,534.09)</b>	(1,534,208,929.15)
Add: Losses on credit impairment	<b>(77,982,351.14)</b>	(222,244,867.29)
Asset impairment losses	<b>1,451,393,886.68</b>	1,228,372,052.49
Depreciation of fixed asset	<b>3,824,696,445.41</b>	4,201,848,399.16
Depreciation of right-of-use assets	<b>191,347,651.45</b>	201,547,311.06
Amortisation of intangible assets	<b>646,362,157.82</b>	576,770,110.12
Amortisation of long-term deferred expenditures	<b>382,706,936.74</b>	396,773,289.88
Gains from disposal of fixed assets, intangible assets and other long-term assets	<b>(1,992,982,184.78)</b>	(1,258,844,710.09)
(Gains)/losses on retirement of fixed assets	<b>(10,053,441.11)</b>	30,363,621.25
Gains from changes in fair value	<b>(403,792,418.23)</b>	(738,500,314.17)
Finance costs	<b>2,746,783,936.69</b>	2,898,072,246.88
Investment gains	<b>(504,779,090.22)</b>	(1,063,076,974.32)
Decrease in deferred income tax assets	<b>1,021,944,745.63</b>	558,126,401.97
Increase in deferred income tax liabilities	<b>22,069,886.23</b>	105,451,566.62
Decrease in inventories	<b>487,564,376.21</b>	11,687,186,450.60
Increase in operating receivables	<b>(8,969,742,309.96)</b>	(2,119,584,854.83)
Decrease/(increase) in operating payables	<b>3,891,176,664.64</b>	(20,264,143,123.68)
Amount that the combination cost is less than the fair value of identifiable net assets acquired	<b>(14,346,710.40)</b>	-
Net cash flows from/(used in) operating activities	<b>1,185,728,647.57</b>	(5,316,092,323.50)

Material financing activities not involving cash:

Item	Unit: RMB	
	2025	2024
Endorsement and transfer of bank acceptance bills received from sale of goods or rendering of services	<b>7,354,828,364.54</b>	6,644,580,889.92

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 72. Supplemental information to statement of cash flows (Continued)

##### (1) Supplemental information to statement of cash flows (Continued)

Net changes in cash and cash equivalents:

Items	Unit: RMB	
	2025	2024
Balance of cash and cash equivalents at the end of the year	<b>13,646,993,204.36</b>	14,870,850,675.58
Less: Balances of cash equivalents at the beginning of the year	<b>14,870,850,675.58</b>	13,779,108,469.50
Net (decrease)/increase in cash and cash equivalents	<b>(1,223,857,471.22)</b>	1,091,742,206.08

##### (2) Net cash paid for acquisition of subsidiaries and other operating units

Items	Unit: RMB	
	2025	
Cash and cash equivalents paid for acquisition of subsidiaries and other operating units acquired during the year	<b>1,821,774,495.41</b>	
Less: Cash and cash equivalents held upon acquisition of subsidiaries and other operating units	<b>164,079,398.78</b>	
Net cash paid for acquisition of subsidiaries and other operating units	<b>1,657,695,096.63</b>	

##### (3) Net cash received from disposal of subsidiaries and other operating units

Items	Unit: RMB	
	2025	
Cash received from disposal of subsidiaries and other operating units during the year	<b>738,140,011.14</b>	
Less: Cash and cash equivalents held upon disposal of subsidiaries and other operating units	<b>72,080,289.92</b>	
Net cash received from disposal of subsidiaries and other operating units	<b>666,059,721.22</b>	

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 72. Supplemental information to statement of cash flows (Continued)

##### (4) Composition of cash and cash equivalents

Items	Unit: RMB	
	31 December 2025	31 December 2024
Cash	<b>13,646,993,204.36</b>	14,870,850,675.58
<i>Including: Cash on hand</i>	<b>236,628.28</b>	232,400.43
<i>Bank deposits on demand</i>	<b>13,646,756,576.08</b>	14,870,618,275.15
Balance of cash and cash equivalents at end of the year	<b>13,646,993,204.36</b>	14,870,850,675.58

#### 73. Foreign currency monetary items

Items	31 December 2025			31 December 2024		
	Original currency	Exchange rate	As RMB	Original currency	Exchange rate	As RMB
Cash and bank balances						
USD	29,267,042.00	7.03	205,712,184.81	42,887,712.26	7.19	308,294,030.81
EUR	517,000.28	8.24	4,257,755.81	729,744.14	7.53	5,491,835.47
HKD	29,305.78	0.90	26,468.98	988,401.27	0.93	915,259.58
ZAR	445,299,838.83	0.42	188,094,651.92	178,699,457.34	0.38	68,692,071.40
Accounts receivable						
USD	320,773.00	7.03	2,254,649.26	1,261,228.36	7.19	9,066,213.94
Bills receivable						
USD	33,569,782.79	7.03	235,955,289.27	33,855,530.56	7.19	243,367,095.88
Other receivables						
USD	40,126,807.85	7.03	282,043,307.02	40,661,789.85	7.19	292,293,210.16
HKD	21,747,941.00	0.90	19,642,740.31	24,000.00	0.93	22,224.00
JPY	500.00	0.04	22.40	-	0.05	-
Long-term receivables						
ZAR	-	0.42	-	217,403,672.76	0.38	83,569,971.81
Total foreign currency monetary assets			<b>937,987,069.78</b>			<b>1,011,711,913.05</b>
Accounts payable						
ZAR	43,266,217.01	0.42	18,275,650.07	43,140,922.67	0.38	16,583,370.67
USD	4,833,088.73	7.03	33,970,814.07	22,802,604.41	7.19	163,914,241.54
JPY	382,438.00	0.04	17,133.22	-	0.05	-
Bills payable						
USD	61,528,072.85	7.03	432,468,518.45	82,470,200.45	7.19	592,828,788.91
Tax payable						
USD	247,653.00	7.03	1,740,703.41	80,142.00	7.19	576,220.98
Other payables						
ZAR	20,802,981.51	0.42	8,787,179.39	21,558,287.57	0.38	8,287,005.74
USD	-	7.03	-	7,649.00	7.19	54,984.07
Total foreign currency monetary liabilities			<b>495,259,998.61</b>			<b>782,244,611.91</b>
Net foreign currency monetary assets			<b>442,727,071.17</b>			<b>229,467,301.14</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 74. Lease

##### (1) As lessee

Items	Unit: RMB	
	2025	2024
Interest expense of leasing liabilities	40,258,570.40	33,043,285.74
Expenses relating to short-term leases accounted for current profit or loss under the simplified approach	276,721,937.31	229,827,652.01
Lease expenses relating to low value asset accounted for current profit or loss under the simplified approach (other than short-term leases)	8,669,698.66	7,871,185.93
Variable lease payments that are not included in the measurement of the lease liabilities	-	4,699,263.07
Total cash outflow for leases	573,270,570.06	503,143,345.22

##### (2) As lessor

##### Finance leases

The profit or loss relating to finance leases is as follows:

Item	Unit: RMB	
	2025	2024
Finance income on the net investment in the lease	50,581,921.23	53,271,448.21

According to the lease contracts entered into with lessees, the undiscounted minimum lease receivables are as follows:

Items	Unit: RMB	
	31 December 2025	31 December 2024
Within 1 year (inclusive of 1 year)	450,860,277.69	484,696,517.75
1 to 2 years (inclusive of 2 years)	317,589,829.42	455,346,700.56
2 to 3 years (inclusive of 3 years)	215,836,958.94	275,792,047.40
3 to 4 years (inclusive of 4 years)	91,047,312.30	106,501,626.16
4 to 5 years (inclusive of 5 years)	-	69,389,795.93
Subtotal	1,075,334,378.35	1,391,726,687.80
Less: Unrealised finance income	82,749,856.06	126,358,465.84
Net investment in the lease	992,584,522.29	1,265,368,221.96

## Notes to Financial Statements

For the year ended 31 December 2025

### V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 74. Lease (Continued)

##### (2) As lessor (Continued)

###### Operating leases

The profit or loss relating to operating leases is as follows:

Item	Unit: RMB	
	2025	2024
Rental income	<b>1,688,309,077.38</b>	1,860,756,951.50

According to the lease contracts entered into with lessees, the undiscounted minimum lease receivables are as follows:

Items	Unit: RMB	
	31 December 2025	31 December 2024
Within 1 year (inclusive of 1 year)	<b>1,158,477,840.02</b>	1,189,889,836.34
1 to 2 years (inclusive of 2 years)	<b>812,849,974.81</b>	956,759,337.09
2 to 3 years (inclusive of 3 years)	<b>536,014,677.31</b>	717,612,374.42
3 to 4 years (inclusive of 4 years)	<b>187,077,051.93</b>	706,323,483.10
4 to 5 years (inclusive of 5 years)	<b>162,315,433.86</b>	90,722,588.25
Over 5 years	<b>177,011,860.78</b>	71,543,044.30
Total	<b>3,033,746,838.71</b>	3,732,850,663.50

Please refer to Note V. 18 and Note V. 19 for details of investment properties and fixed assets leased under operating leases.

## Notes to Financial Statements

For the year ended 31 December 2025

### VI. CHANGE IN SCOPE OF CONSOLIDATION

#### 1. Business combinations not under common control

Unit: RMB

Name of the acquiree	Date of equity acquisition (purchase date)	Cost of equity acquisition	Proportion of equity acquired (%)	Method of equity acquisition	Basis for determining the purchase date	Operating	Net profit of	Net cash flow
						revenue of the acquiree from the purchase date to the end of the year	the acquiree from the purchase date to the end of the year	of the acquiree from the purchase date to the end of the year
Tangshan Hongde Haisheng Mineral Products Co., Ltd. (唐山鴻德海升礦產品有限責任公司)	18 April 2025	134,063,720.00	70.00	Cash acquisition	Completion of the transfer of corporate control	27,445,579.66	5,615,917.59	18,022,918.08

In March 2025, Beijing BBMG International Supply Chain Service Co., Ltd. (北京金隅國際供應鏈服務有限公司) (hereinafter referred to as "BBMG Supply Chain") signed an equity transfer agreement with the shareholders of Tangshan Hongde Haisheng Mineral Products Co., Ltd. (唐山鴻德海升礦產品有限責任公司) (hereinafter referred to as "Hongde Haisheng") to acquire 70.00% equity interests in Hongde Haisheng at a consideration of RMB134,063,720.00. As of 18 April 2025, the parties completed the required handover procedures, and BBMG Supply Chain obtained control over Hongde Haisheng. Pursuant to the acquisition agreement, BBMG Supply Chain acquired primarily the equipment, plant and other assets of Hongde Haisheng without any employees. Consequently, the transaction does not constitute a business combination and has been accounted for as an asset acquisition.

The fair value and carrying amount of each identifiable assets and liabilities of the acquiree as at the purchase date are as follows:

Unit: RMB

Items	Fair value as at the acquisition date	Carrying amount as at the acquisition date
Cash and bank balances	166,840.74	166,840.74
Prepayments	234,880.20	234,880.20
Other receivables	7,929,163.06	7,929,163.06
Inventories	484,487.92	484,487.92
Other current assets	8,900,118.96	8,900,118.96
Fixed assets	153,478,627.37	122,298,124.06
Intangible assets	27,416,400.10	22,323,547.10
Accounts payable	(6,940,918.35)	(6,940,918.35)
Receipts in advance	(150,000.00)	(150,000.00)
Net assets	191,519,600.00	155,246,243.69
Minority interests	57,455,880.00	46,573,873.11
Net assets acquired	134,063,720.00	108,672,370.58
Consideration for the merger	134,063,720.00	

## Notes to Financial Statements

For the year ended 31 December 2025

## VI. CHANGE IN SCOPE OF CONSOLIDATION (Continued)

## 1. Business combinations not under common control (Continued)

Unit: RMB

Item	Date of equity acquisition (purchase date)	Cost of equity acquisition	Proportion of equity acquired (%)	Method of equity acquisition	Basis for determining the purchase date	Operating	Net profit of	Net cash flow
						revenue of the acquiree from the purchase date to the end of the year	the acquiree from the purchase date to the end of the year	of the acquiree from the purchase date to the end of the year
Liaoyang Hongguang Mining Co., Ltd. (遼陽市弘光礦業有限公司)	28 February 2025	59,700,338.60	70.00	Cash	Completion of the transfer of corporate control	20,133,020.36	(1,155,581.98)	(1,828,476.31)

In February 2025, Liaoning Jinzhong New Material Industry Group Co., Ltd. (遼寧金中新材料產業集團有限公司) (hereinafter referred to as "Jinzhong New Material") signed an equity transfer agreement with the shareholders of Liaoyang Hongguang Mining Co., Ltd. (遼陽市弘光礦業有限公司) (hereinafter referred to as "Hongguang Mining") to acquire 70.00% equity interest in Hongguang Mining at a consideration of RMB59,700,338.60. As of 28 February 2025, the parties completed the required handover procedures, and Jinzhong New Materials obtained control over Hongguang Mining.

The fair value and carrying amount of each identifiable assets and liabilities of the acquiree as at the purchase date are as follows:

Unit: RMB

Items	Fair value as at the acquisition date	Carrying amount as at the acquisition date
Cash and bank balances	1,733,798.67	1,733,798.67
Accounts receivable	2,870,006.54	2,870,006.54
Prepayments	5,215.75	5,197.58
Other receivables	949,817.28	949,817.28
Inventories	47,583,557.60	39,158,563.05
Fixed assets	25,648,462.56	16,473,909.50
Intangible assets	34,173,284.40	11,015,163.99
Long-term deferred expenditures	2,605,913.82	2,605,913.82
Other non-current assets	12,630,367.51	5,152,003.20
Short-term borrowings	(24,200,000.00)	(24,200,000.00)
Accounts payable	(2,753,544.01)	(2,753,544.01)
Receipts in advance	(290,971.17)	(290,971.17)
Taxes payable	(851,444.73)	(851,444.73)
Other payables	(18,484,945.07)	(18,484,945.07)
Deferred income tax liabilities	(12,059,008.08)	-
Net assets	69,560,511.07	33,383,468.65
Minority interests	20,868,166.04	10,015,040.60
Net assets acquired	48,692,345.03	23,368,428.05
Goodwill on acquisition	11,007,993.57	
Consideration for the merger	59,700,338.60	

## Notes to Financial Statements

For the year ended 31 December 2025

### VI. CHANGE IN SCOPE OF CONSOLIDATION (Continued)

#### 1. Business combinations not under common control (Continued)

Unit: RMB

Item	Date of equity acquisition (purchase date)	Cost of equity acquisition	Proportion of equity acquired (%)	Method of equity acquisition	Basis for determining the purchase date	Operating	Net profit of	Net cash flow
						revenue of the acquiree from the purchase date to the end of the year	the acquiree from the purchase date to the end of the year	of the acquiree from the purchase date to the end of the year
Benxi Jinzhong New Material Technology Co., Ltd. (本溪金中新材料科技有限公司)	28 February 2025	42,248,205.33	100.00	Cash	Completion of the transfer of corporate control	42,299,985.48	4,287,691.51	2,674,471.38

In February 2025, Jinzhong New Material signed an equity transfer agreement with the shareholders of Benxi Jinzhong New Material Technology Co., Ltd. (本溪金中新材料科技有限公司) (formerly known as Benxi Yongxing New Building Materials Co., Ltd. (本溪永星新型建材有限公司), hereinafter referred to as “Benxi Jinzhong”) to acquire 100.00% equity interest in Benxi Jinzhong at a consideration of RMB42,248,205.33. As of 28 February 2025, the parties completed the required handover procedures, and Jinzhong New Materials obtained control over Benxi Jinzhong.

The fair value and carrying amount of each identifiable assets and liabilities of the acquiree as at the purchase date are as follows:

Unit: RMB

Items	Fair value as at the acquisition date	Carrying amount as at the acquisition date
Cash and bank balances	17,976.75	17,976.75
Bills receivable	207,255.00	207,255.00
Accounts receivable	787,542.60	787,542.60
Prepayments	401,208.91	401,208.91
Other receivables	144,000.00	144,000.00
Inventories	11,514,073.38	11,514,073.38
Fixed assets	87,857,258.67	52,460,310.16
Intangible assets	49,034,816.02	24,433,412.92
Other current assets	1,635,810.07	1,635,810.07
Short-term borrowings	(14,990,000.00)	(14,990,000.00)
Accounts payable	(12,795,443.20)	(12,795,443.20)
Receipts in advance	(1,193,960.18)	(1,193,960.18)
Wages payable	(4,572.50)	(4,572.50)
Other payables	(79,415,158.03)	(79,415,158.03)
Other current liabilities	(72,878.11)	(72,878.11)
Deferred income tax liabilities	(14,999,587.90)	-
Net assets/(liabilities)	28,128,341.48	(16,870,422.23)
Goodwill on acquisition	14,119,863.85	
Consideration for the merger	42,248,205.33	

## Notes to Financial Statements

For the year ended 31 December 2025

**VI. CHANGE IN SCOPE OF CONSOLIDATION (Continued)****1. Business combinations not under common control (Continued)**

Unit: RMB

Item	Date of equity acquisition (purchase date)	Cost of equity acquisition	Proportion of equity acquired (%)	Method of equity acquisition	Basis for determining the purchase date	Operating revenue of the acquiree from the purchase date to the end of the year	Net profit of the acquiree from the purchase date to the end of the year	Net cash flow of the acquiree from the purchase date to the end of the year
Liaoning Hengwei Cement Group Co., Ltd. (遼寧恆威水泥集團有限公司)	28 February 2025	337,388,222.20	100.00	Cash	Completion of the transfer of corporate control	214,371,464.04	25,815,776.19	6,173,837.99

In February 2025, Jinzhong New Material signed an equity transfer agreement with the shareholders of Liaoning Hengwei Cement Group Co., Ltd. (遼寧恆威水泥集團有限公司) (hereinafter referred to as “Hengwei Cement”) to acquire 100.00% equity interest in Hengwei Cement at a consideration of RMB337,388,222.20. As of 28 February 2025, the parties completed the required handover procedures, and Jinzhong New Materials obtained control over Hengwei Cement.

The fair value and carrying amount of each identifiable assets and liabilities of the acquiree as at the purchase date are as follows:

Unit: RMB

Items	Fair value as at the acquisition date	Carrying amount as at the acquisition date
Cash and bank balances	14,211,118.36	14,211,118.36
Bills receivable	600,000.00	600,000.00
Accounts receivable	4,734,868.74	4,734,868.74
Prepayments	1,279,986.31	1,279,986.31
Other receivables	500,230.59	500,230.59
Inventories	76,741,377.72	50,439,868.95
Other current assets	4,437,296.46	4,437,296.46
Fixed assets	451,918,066.16	140,676,577.94
Intangible assets	181,293,903.18	25,038,053.78
Long-term deferred expenditures	4,103,548.07	4,103,548.07
Short-term borrowings	(212,780,000.00)	(212,780,000.00)
Accounts payable	(25,246,622.88)	(25,246,622.88)
Receipts in advance	(80,613,416.75)	(80,613,416.75)
Wages payable	(282,331.73)	(282,331.73)
Taxes payable	(363,776.21)	(363,776.21)
Other payables	(84,918,998.11)	(84,918,998.11)
Other current liabilities	(76,951.51)	(76,951.51)
Deferred income tax liabilities	(123,449,711.60)	-
Net assets/(liabilities)	212,088,586.80	(158,260,547.99)
Net assets/(liabilities) acquired	212,088,586.80	(158,260,547.99)
Goodwill on acquisition	125,299,635.40	
Consideration for the merger	337,388,222.20	

## Notes to Financial Statements

For the year ended 31 December 2025

### VI. CHANGE IN SCOPE OF CONSOLIDATION (Continued)

#### 1. Business combinations not under common control (Continued)

Unit: RMB

Item	Date of equity acquisition (purchase date)	Cost of equity acquisition	Proportion of equity acquired (%)	Method of equity acquisition	Basis for determining the purchase date	Operating	Net profit of	Net cash flow
						revenue of the acquiree from the purchase date to the end of the year	the acquiree from the purchase date to the end of the year	of the acquiree from the purchase date to the end of the year
Yantai Runshuo Co., Ltd. (煙台潤碩有限公司)	2 April 2025	346,891,089.92	100.00	Cash	Completion of the transfer of corporate control	-	8,200,600.27	(1,345,896.43)

In January 2025, Jidong Cement (Yantai) Co., Ltd. (冀東水泥(煙台)有限責任公司) (hereinafter referred to as “Jidong Cement Yantai”) signed an equity transfer agreement with the shareholders of Yantai Runshuo Co., Ltd. (煙台潤碩有限公司) (hereinafter referred to as “Yantai Runshuo”) to acquire 100.00% equity interest in Yantai Runshuo at a consideration of RMB346,891,089.92. As of 2 April 2025, the parties completed the required handover procedures, and Jidong Cement Yantai obtained control over Yantai Runshuo. As at the completion date of the acquisition, Yantai Runshuo principally held a mining right but had not yet commenced any business or operations. Consequently, the transaction does not constitute a business combination and has been accounted for as an asset acquisition.

The fair value and carrying amount of each identifiable assets and liabilities of the acquiree as at the purchase date are as follows:

Unit: RMB

Items	Fair value as at the acquisition date	Carrying amount as at the acquisition date
Intangible assets	621,937,800.00	-
Other payables	(8,200,000.00)	(8,200,000.00)
Estimated liabilities	(266,846,710.08)	-
Net assets/(liabilities)	346,891,089.92	(8,200,000.00)
Consideration for the merger	346,891,089.92	

**Notes to Financial Statements**

For the year ended 31 December 2025

**VI. CHANGE IN SCOPE OF CONSOLIDATION (Continued)****1. Business combinations not under common control (Continued)**

Unit: RMB

Item	Date of equity acquisition (purchase date)	Cost of equity acquisition	Proportion of equity acquired (%)	Method of equity acquisition	Basis for determining the purchase date	Operating	Net profit of	Net cash flow
						revenue of the acquiree from the purchase date to the end of the year	the acquiree from the purchase date to the end of the year	of the acquiree from the purchase date to the end of the year
Handan Yongnian District Hongpeng Commercial Concrete Co., Ltd. (邯郸市永年區宏鵬商砼有限公司)	15 April 2025	33,975,451.40	90.00	Cash	Completion of the transfer of corporate control	24,670,239.57	342,487.22	420,650.89

In April 2025, Handan BBMG Taihang Shangtong Technology Co., Ltd. (hereinafter referred to as “BBMG Taihang Shangtong”) signed an equity transfer agreement with the shareholders of Handan Yongnian District Hongpeng Commercial Concrete Co., Ltd. (邯郸市永年區宏鵬商砼有限公司) (hereinafter referred to as “Hongpeng Commercial Concrete”) to acquire 90.00% equity interests in Hongpeng Commercial Concrete at a consideration of RMB33,975,451.40. As of 15 April 2025, the parties completed the required handover procedures, and BBMG Taihang Shangtong obtained control over Hongpeng Commercial Concrete.

The fair value and carrying amount of each identifiable assets and liabilities of the acquiree as at the purchase date are as follows:

Unit: RMB

Items	Fair value as at the acquisition date	Carrying amount as at the acquisition date
Cash and bank balances	<b>154,547.92</b>	<b>154,547.92</b>
Inventories	<b>1,360,070.94</b>	<b>1,360,070.94</b>
Fixed assets	<b>29,547,203.69</b>	<b>24,131,901.82</b>
Accounts payable	<b>(692,717.26)</b>	<b>(692,717.26)</b>
Deferred income tax liabilities	<b>(1,353,825.47)</b>	-
Net assets	<b>29,015,279.82</b>	<b>24,953,803.42</b>
Minority interests	<b>2,901,527.98</b>	<b>2,495,380.34</b>
Net assets acquired	<b>26,113,751.84</b>	<b>22,458,423.08</b>
Goodwill on acquisition	<b>7,861,699.56</b>	
Consideration for the merger	<b>33,975,451.40</b>	

## Notes to Financial Statements

For the year ended 31 December 2025

### VI. CHANGE IN SCOPE OF CONSOLIDATION (Continued)

#### 1. Business combinations not under common control (Continued)

Unit: RMB

Item	Date of equity acquisition (purchase date)	Cost of equity acquisition	Proportion of equity acquired (%)	Method of equity acquisition	Basis for determining the purchase date	Operating revenue of the acquiree from the purchase date to the end of the year	Net profit of the acquiree from the purchase date to the end of the year	Net cash flow of the acquiree from the purchase date to the end of the year
Shanghai ABM Rock Wool Co., Ltd. (上海新型建材岩棉有限公司)	31 May 2025	406,970,529.74	70.00	Cash	Completion of the transfer of corporate control	104,966,020.90	9,981,535.15	27,783,565.64

In May 2025, Beijing Jinyu Energy-Saving Materials & Technology (Dachang) Co., Ltd. (hereinafter referred to as “Jinyu Energy-Saving”) signed an equity transfer agreement with the shareholders of Shanghai ABM Rock Wool Co., Ltd. (上海新型建材岩棉有限公司) (hereinafter referred to as “Shanghai Rock Wool”) to acquire 70.00% equity interests in Shanghai Rock Wool at a consideration of RMB406,970,529.74. As of 31 May 2025, the parties completed the required handover procedures, and Jinyu Energy-Saving obtained control over Shanghai Rock Wool.

The fair value and carrying amount of each identifiable assets and liabilities of the acquiree as at the purchase date are as follows:

Unit: RMB

Items	Fair value as at the acquisition date	Carrying amount as at the acquisition date
Cash and bank balances	147,381,086.71	147,381,086.71
Accounts receivable	3,756,863.26	3,756,863.26
Prepayments	1,740,917.98	1,740,917.98
Other receivables	61,669,080.45	61,669,080.45
Inventories	21,826,231.56	21,039,383.13
Other current assets	91,642.62	91,642.62
Fixed assets	339,630,680.00	332,706,269.38
Construction in progress	9,064,236.37	6,464,307.17
Right-of-use assets	2,200,673.03	2,200,673.03
Intangible assets	41,141,289.79	27,430,793.73
Long-term deferred expenditures	-	3,533,947.92
Deferred income tax assets	350,690.89	350,690.89
Accounts payable	(11,046,471.26)	(11,104,986.26)
Contract liabilities	(3,911,132.52)	(3,920,545.79)
Wages payable	(744,373.15)	(744,373.15)
Taxes payable	(1,491,648.15)	(1,491,648.15)
Other payables	(2,296,337.50)	(2,543,321.66)
Non-current liabilities due within one year	(1,271,377.13)	(1,271,377.13)
Other current liabilities	(491,847.96)	(491,847.96)
Lease liabilities	(763,553.15)	(763,553.15)
Deferred income	(660,767.46)	(4,120,433.37)
Deferred income tax liabilities	(4,294,112.75)	(330,100.95)
Net assets	601,881,771.63	581,583,468.70
Minority interests	180,564,531.49	174,475,040.61
Net assets acquired	421,317,240.14	407,108,428.09
Amount that the combination cost is less than the fair value of identifiable net assets acquired	(14,346,710.40)	
Consideration for the merger	406,970,529.74	

# Notes to Financial Statements

For the year ended 31 December 2025

## VI. CHANGE IN SCOPE OF CONSOLIDATION (Continued)

### 1. Business combinations not under common control (Continued)

Unit: RMB

Item	Date of equity acquisition (purchase date)	Cost of equity acquisition	Proportion of equity acquired (%)	Method of equity acquisition	Basis for determining the purchase date	Operating	Net profit of	Net cash flow
						revenue of the acquiree from the purchase date to the end of the year	the acquiree from the purchase date to the end of the year	of the acquiree from the purchase date to the end of the year
Baoding Dongdayang Building Materials Co., Ltd. (保定市東大洋建材有限公司)	27 March 2025	19,500,636.83	100.00	Cash	Completion of the transfer of corporate control	126,449,266.71	6,612,217.20	5.42

In March 2025, Jinyu Concrete Group Co., Ltd. (hereinafter referred to as “Jinyu Concrete”) signed an equity transfer agreement with the shareholders of Baoding Dongdayang Building Materials Co., Ltd. (保定市東大洋建材有限公司) (hereinafter referred to as “Baoding Dongdayang”) to acquire 100.00% equity interests in Baoding Dongdayang at a consideration of RMB19,500,636.83. As of 27 March 2025, the parties completed the required handover procedures, and Jinyu Concrete obtained control over Baoding Dongdayang.

The fair value and carrying amount of each identifiable assets and liabilities of the acquiree as at the purchase date are as follows:

Unit: RMB

Items	Fair value as at the acquisition date	Carrying amount as at the acquisition date
Cash and bank balances	414,029.63	414,029.63
Prepayments	62,500.00	62,500.00
Other receivables	140,000.00	140,000.00
Inventories	201,647.93	201,647.93
Fixed assets	29,708,778.09	29,708,778.09
Right-of-use assets	1,148,400.21	1,148,400.21
Deferred income tax assets	126,651.52	126,651.52
Short-term borrowings	(20,895.86)	(20,895.86)
Contract liabilities	(1,864.08)	(1,864.08)
Other payables	(11,261,951.22)	(11,261,951.22)
Other current liabilities	(55.92)	(55.92)
Lease liabilities	(844,343.44)	(844,343.44)
Deferred income tax liabilities	(172,260.03)	(172,260.03)
Net assets	19,500,636.83	19,500,636.83
Consideration for the merger	19,500,636.83	

# Notes to Financial Statements

For the year ended 31 December 2025

## VI. CHANGE IN SCOPE OF CONSOLIDATION (Continued)

### 2. Disposal of subsidiaries

Company	Date of loss of control	Consideration for the disposal on the date of loss of control	Proportion of equity disposed on the date of loss of control (%)	Disposal method on the date of loss of control	Basis for determining the date of loss of control	Difference between disposal and share of net assets of the subsidiary corresponding to the disposal of investment in the consolidated financial statement	Proportion of the remaining equity on the date of loss of control (%)	Carrying value of the remaining equity in the consolidated financial statement on the date of loss of control	Fair value of the remaining equity in the consolidated financial statement on the date of loss of control	Gains or losses arising from the revaluation of the remaining equity at fair value	Method and key assumptions used to determine the fair value of the remaining equity in the consolidated financial statement on the date of loss of control	Amount of other comprehensive income related to the equity investment in the original subsidiary transferred to gains or losses on investment or retained earnings
Beijing BBMG Xisanqi Intelligent Manufacturing Workshop Management Co., Ltd. (北京金隅西三旗智能制造管理有限公司)	23 January 2025	1,003,500.00	100.00	Disposal	Transfer of control	-	-	-	-	-	N/A	-
Beijing BBMG Intelligent Manufacturing Workshop Management Co., Ltd. (北京金隅智能制造管理有限公司)	23 January 2025	358,237,031.45	100.00	Disposal	Transfer of control	274,339,396.60	-	-	-	-	N/A	-

**Note:** In January 2025, the Company, acting as original beneficial owner, and China Asset Management Co., Ltd., acting as the fund manager, launched the CAMC BBMG Intelligent Manufacturing Workshop Industrial Park Closed-end Infrastructure Securities Investment Fund (hereinafter referred to as "CAMC BBMG Intelligent Manufacturing Workshop REIT"). The Company sold the equity interest of its subsidiary, Beijing BBMG Xisanqi Intelligent Manufacturing Workshop Management Co., Ltd. (北京金隅西三旗智能制造管理有限公司) to the "CITIC Securities - BBMG Industrial Park Infrastructure No. 1 Asset-Backed Special Plan" (中信證券-金隅集團產業基礎設施1號資產支持專項計劃) subscribed by CAMC BBMG Intelligent Manufacturing Workshop REIT, and transferred the equity interest in the project company (Beijing BBMG Intelligent Manufacturing Workshop Management Co., Ltd. (北京金隅智能制造管理有限公司), the owner of Phase 1 of the BBMG Intelligent Manufacturing Workshop) to Beijing BBMG Xisanqi Intelligent Manufacturing Workshop Management Co., Ltd. (北京金隅西三旗智能制造管理有限公司), a subsidiary of CAMC BBMG Intelligent Manufacturing Workshop REIT. Following CAMC BBMG Intelligent Manufacturing Workshop REIT, the Company holds 35.00% equity interests in CAMC BBMG Intelligent Manufacturing Workshop REIT. As a result of these transactions, the Company no longer controls Beijing BBMG Xisanqi Intelligent Manufacturing Workshop Management Co., Ltd. (北京金隅西三旗智能制造管理有限公司) and Beijing BBMG Intelligent Manufacturing Workshop Management Co., Ltd. (北京金隅智能制造管理有限公司), nor does it control CAMC BBMG Intelligent Manufacturing Workshop REIT. Consequently, Beijing BBMG Xisanqi Intelligent Manufacturing Workshop Management Co., Ltd. (北京金隅智能制造管理有限公司) and Beijing BBMG Intelligent Manufacturing Workshop Management Co., Ltd. (北京金隅智能制造管理有限公司) are no longer included in the Company's consolidated financial statements.

# Notes to Financial Statements

For the year ended 31 December 2025

## VI. CHANGE IN SCOPE OF CONSOLIDATION (Continued)

### 2. Disposal of subsidiaries (Continued)

The relevant financial information of disposal of subsidiaries is set out as follows:

Unit: RMB

Items	Beijing BBMG Xisanqi Intelligent Manufacturing Workshop Management Co., Ltd. (北京金隅西三旗 智造工場管理有限公司) 23 January 2025	Beijing BBMG Intelligent Manufacturing Workshop Management Co., Ltd. (北京金 隅智造工場管理有限公司) 23 January 2025
Current assets	1,003,924.10	81,645,443.44
Non-current assets	-	838,618,731.51
Current liabilities	(14.85)	(813,473,673.38)
Non-current liabilities	-	(21,842,866.72)

### 3. Deregistration of subsidiaries

The Group deregistered 19 subsidiaries during the year. The relevant information is as follows:

Company	Proportion of shareholding before deregistration	Reason for not being a subsidiary
Jidong Cement Fengrun Co., Ltd.	100.00%	Absorption and merge
Tianjin BBMG Tiantu Coating Co., Ltd. (天津金隅天塗塗料有限公司)	100.00%	Absorption and merge
Zhejiang Hangjia Longyi Energy-Saving Technology Co., Ltd. (浙江杭加龍一節能科技有限公司)	100.00%	Absorption and merge
Tangshan Jidong New Materials Investment Co., Ltd.	100.00%	Absorption and merge
Tianjin Cement Stone Mine Co., Ltd.	100.00%	Absorption and merge
Datong Jinlong Commodity Concrete Co., Ltd.	100.00%	Absorption and merge
Tianjin Tianying New Building Materials Co., Ltd.	100.00%	Absorption and merge
Tianjin Jianling Real Estate Co., Ltd. (天津市建領置業有限公司)	100.00%	Absorption and merge
Tangshan Jinyu Aerated Concrete Co., Ltd.	100.00%	Absorption and merge
BBMG (Hangzhou) Property Development Co., Ltd.	100.00%	Absorption and merge
Benxi Changbai Special Building Materials Co., Ltd. (本溪長白特種建材有限公司)	100.00%	Absorption and merge
Handan BBMG Taihang Building Materials Co., Ltd.	100.00%	Absorption and merge
Liaoning Hengwei Group Baiwei Commercial Concrete Co., Ltd. (遼寧恆威集團百威商品混凝土有限公司)	100.00%	Absorption and merge
BBMG (Tianjin) Property Development Co., Ltd.	100.00%	Deregistration
Guangyuan Hangjia Mining Co., Ltd. (廣元杭加礦業有限公司)	100.00%	Deregistration
Guangyuan Hangjia Zetong Calcium Industry Co., Ltd. (廣元杭加澤通鈣業有限公司)	100.00%	Deregistration
Nanjing Jinjiazhuo Decoration Co., Ltd. (南京金嘉卓裝飾有限公司)	34.00%	Deregistration
Guangyuan Hangjia Building Energy-Saving New Materials Co., Ltd. (廣元杭加建築節能新材料有限公司)	100.00%	Deregistration
Anhui Hangjia Construction Engineering Co., Ltd. (安徽杭加建築工程有限公司)	100.00%	Deregistration

# Notes to Financial Statements

For the year ended 31 December 2025

## VI. CHANGE IN SCOPE OF CONSOLIDATION (Continued)

### 4. Establishment of new subsidiaries

Company	Acquired method	Percentage of shareholding
Beijing Haiyu Jianye Real Estate Development Co., Ltd. (北京海隅建業房地產開發有限公司)	Establishment	100.00%
Beijing Jingcai Shunze Talent Development Co., Ltd. (北京京才順澤人才開發有限公司)	Establishment	100.00%
Xinle Jinyu New Building Materials Co., Ltd. (新樂金隅新型建材有限公司)	Establishment	100.00%

## VII. INTERESTS IN OTHER ENTITIES

### 1. Interests in the subsidiaries

Information of the Company's major subsidiaries is as follows:

Company	Place of principal business/ registration		Business nature	Registered capital (RMB'0'000)	Percentage of shareholding (%)	
					Direct	Indirect
<b>Subsidiaries acquired through establishment or investment</b>						
Beijing BBMG Concrete Co., Ltd.	Beijing		Processing of commodity concrete etc.	46,541.04	-	100.00
Handan BBMG Taihang Shangtong Technology Co., Ltd.	Hebei		Manufacture and sale of concrete	6,600.00	-	100.00
Wei County BBMG Concrete Co., Ltd.	Hebei		Manufacture and sale of concrete	1,000.00	-	92.00
Handan Hanshan BBMG Concrete Co., Ltd.	Hebei		Manufacture and sale of commercial concrete and crushed stone	3,000.00	-	92.00
Handan Jinyu Chenxiang Concrete Co., Ltd.	Hebei		Manufacture and sale of concrete	3,000.00	-	92.00
Beijing BBMG Coating Co., Ltd.	Beijing		Manufacture of coating; professional contracting	15,720.00	-	100.00
BBMG New Building Materials Industrialization Group Co., Ltd.	Beijing		Manufacture and sale of building materials	407,765.00	100.00	-
Beijing Sanchong Mirror (Dachang) Co., Ltd.	Beijing		Manufacture and sale of glass made spectacle lenses	5,766.00	-	100.00
Beijing Jinyu Energy-Saving Materials & Technology (Dachang) Co., Ltd.	Hebei		Manufacture and sale of building materials	17,000.00	-	100.00
Beijing Jiandu Design and Research Institute Co., Ltd.	Beijing		Design of modern building materials, etc.	6,000.00	-	100.00
Beijing Jinyu Aerated Concrete Co., Ltd.	Beijing		Manufacture and sale of aerated concrete products etc.	10,000.00	-	100.00
Beijing BBMG Business and Trading Co., Ltd.	Beijing		Wholesale of building materials and metal materials etc.	66,000.00	-	100.00
BBMG Mortar Co., Ltd.	Beijing		Manufacture and sale of dry and mixed mortar	54,610.52	-	100.00
BBMG (Dachang) Modern Industrial Park Management Co., Ltd.	Hebei		Manufacture of various modern building materials etc.	98,528.00	-	100.00
Beijing Building Materials Academy of Sciences Research Co., Ltd.	Beijing		Development, manufacture and sale of building materials etc.	24,385.00	100.00	-
Beijing BBMG Tiantan Furniture Co., Ltd. (Note 1)	Beijing		Manufacture, processing, and sale of furniture etc.	40,818.28	-	97.81
BBMG Residential Industrialization (Tangshan) Co., Ltd.	Hebei		Manufacture and sale of building materials	35,000.00	-	100.00
Beijing Building Materials Testing Academy Co., Ltd. (Note 1)	Beijing		Testing for building material quality etc.	12,380.75	39.43	50.40
Beijing Concrete World Magazine Co., Ltd.	Beijing		Releasing and publishing of Concrete World Magazine; advertising design and production	30.00	-	100.00
Beijing Dacheng Changrun Properties Limited	Beijing		Property development and operation	1,000.00	-	91.00
Beijing BBMG Konggang Development Co., Ltd.	Beijing		Property development	10,000.00	-	95.00
BBMG Xingda Real Estate Development Co., Ltd.	Beijing		Property development and operation	109,500.00	-	100.00
Chongqing BBMG Dacheng Property Development Co., Ltd.	Chongqing		Property development and consultation etc.	20,000.00	-	100.00
Chongqing BBMG Dacheng Shanshui Real Estate Co., Ltd.	Chongqing		Property development and sale of housing, etc.	49,250.00	-	100.00
Chongqing BBMG Dacheng New Metropolis Co., Ltd.	Chongqing		Property development; sale of commodity housing etc.	150,000.00	-	100.00
Chengdu BBMG Dacheng Property Development Co., Ltd.	Sichuan		Property development etc.	75,500.00	-	100.00

## Notes to Financial Statements

For the year ended 31 December 2025

## VII. INTERESTS IN OTHER ENTITIES (Continued)

## 1. Interests in the subsidiaries (Continued)

Information of the Company's major subsidiaries is as follows: (Continued)

Company	Place of principal business/ registration		Registered capital (RMB'0'000)	Percentage of shareholding (%)	
		Business nature		Direct	Indirect
<b>Subsidiaries acquired through establishment or investment (Continued)</b>					
Chengdu BBMG Yuehuang Real Estate Co., Ltd.	Sichuan	Property development	5,000.00	-	100.00
Shanghai BBMG Dacheng Property Development Co., Ltd.	Shanghai	Property development and operation, etc.	100,000.00	-	100.00
BBMG Jinghua Property Development Hefei Co., Ltd.	Anhui	Property development	50,000.00	-	100.00
Ningbo BBMG Dacheng Property Development Co., Ltd.	Zhejiang	Property development and operation, etc.	5,000.00	-	100.00
BBMG Jingjin (Ningbo) Real Estate Development Co., Ltd.	Zhejiang	Property development	20,000.00	-	100.00
Beijing Longyuan Real Estate Development Co., Ltd.	Beijing	Property development and operation	116,100.00	-	100.00
Qingdao Jinyu Chuangzhi Real Estate Development Co., Ltd.	Shandong	Property development and operation	118,800.00	-	100.00
Tianjin Jinyu Jinli Real Estate Development Co., Ltd.	Tianjin	Property development and operation	5,000.00	-	100.00
BBMG Jindian (Tianjin) Property Development Co., Ltd.	Tianjin	Property development and operation	257,800.00	-	100.00
Chengdu BBMG Jingfeng Real Estate Development Co., Ltd.	Sichuan	Property development	5,000.00	-	100.00
Chengdu BBMG Wancheng Real Estate Development Co., Ltd.	Sichuan	Property development	5,000.00	-	100.00
BBMG Jiahua Nanjing Real Estate Co., Ltd.	Jiangsu	Property development	50,000.00	-	100.00
BBMG Real Estate Development (Hefei) Co., Ltd.	Anhui	Property development and operation	45,000.00	-	100.00
BBMG Properties (Anhui) Co., Ltd.	Anhui	Property development and property management, etc.	81,500.00	-	100.00
Hefei BBMG Jingyun Real Estate Development Co., Ltd.	Anhui	Property development and operation	5,000.00	-	100.00
Tianjin Ershiyi stations Testing Technology Co., Ltd.	Tianjin	Inspection and identification of building materials products and inspection and identification technical services of construction engineering, etc.	3,000.00	-	100.00
Shaanxi Jinyu Energy-Saving Materials & Technology Co., Ltd. (陝西金隅節能保溫科技有限公司)	Shaanxi	Wholesale industry	12,000.00	-	100.00
Zhuxin (Hebei Xiong'an) Inspection and Testing Co., Ltd. (榮信(河北雄安)檢驗檢測有限公司)	Hebei	Professional technical service industry	1,000.00	-	100.00
BBMG (Changzhou) Real Estate Development Co., Ltd. (金隅(常州)房地產開發有限公司)	Jiangsu	Property development and operation	10,000.00	-	100.00
BBMG Yuechao (Hangzhou) Real Estate Development Co., Ltd. (金隅悅潮(杭州)房地產開發有限公司)	Zhejiang	Property development and operation	58,418.15	-	100.00
BBMG Technology Innovation Co., Ltd. (北京金隅科技創新有限公司)	Beijing	Business service industry	1,000.00	-	100.00
Ningbo Yinzhou BBMG Property Management Co., Ltd. (寧波鄞州金隅物業管理有限責任公司)	Zhejiang	Real estate	100.00	-	100.00
Beijing BBMG Finance Lease Co., Ltd. (北京金隅融資租賃有限公司)	Beijing	Financial leasing	80,000.00	100.00	-
BBMG Tianjian Intelligent Logistics (Tianjin) Co., Ltd. (金隅天津智慧物流(天津)有限公司)	Tianjin	Road transportation	5,000.00	-	70.00
Hefei Jinzhongjingu Real Estate Development Co., Ltd. (合肥金中京湖房地產開發有限公司)	Anhui	Business service industry	71,200.00	-	51.00
Beijing Jincheng Property Investment Co., Ltd. (北京金程置業有限公司)	Beijing	Property development and operation	1,000.00	-	100.00
Hebei Green Building Materials Product Quality Testing Co., Ltd. (河北省綠色建材產品質量檢測有限公司)	Hebei	Professional technical service industry	1,000.00	-	100.00
BBMG Jiaying Nanjing Real Estate Development Co., Ltd.	Jiangsu	Property development	10,000.00	-	70.00
Beijing BBMG Dongcheng Real Estate Co., Ltd.	Beijing	Property development	100,000.00	-	90.50
Qingdao BBMG Yangguang Property Development Co., Ltd.	Shandong	Property development	60,000.00	-	100.00

# Notes to Financial Statements

For the year ended 31 December 2025

## VII. INTERESTS IN OTHER ENTITIES (Continued)

### 1. Interests in the subsidiaries (Continued)

Information of the Company's major subsidiaries is as follows: (Continued)

Company	Place of principal business/ registration		Registered capital (RMB'0'000)	Percentage of shareholding (%)	
		Business nature		Direct	Indirect
<b>Subsidiaries acquired through establishment or investment (Continued)</b>					
BBMG China Railway Noble (Hangzhou) Property Development Co., Ltd.	Zhejiang	Property development and operation, etc.	50,000.00	-	51.00
Shanghai BBMG Jingcheng Property Development Co., Ltd.	Shanghai	Property development	27,200.00	-	100.00
BBMG GEM Real Estate Development Co., Ltd.	Beijing	Property development and operation, etc.	650,000.00	100.00	-
Beijing Jinyu Chaoxin Tiandi Property Investment Co., Ltd.	Beijing	Property development and property management, etc.	1,000.00	-	100.00
Beijing BBMG Changyang GEM Real Estate Development Co., Ltd.	Beijing	Property development and operation, etc.	237,254.90	-	100.00
Beijing BBMG Property Investment Co., Ltd.	Beijing	Sale of self-developed commercial housing	5,000.00	-	70.00
Inner Mongolia BBMG Property Investment Co., Ltd.	Inner Mongolia	Property development and operation, etc.	20,000.00	-	100.00
Tangshan BBMG Julong Property Development Co., Ltd.	Hebei	Property development and operation etc.	5,000.00	-	80.00
Beijing BBMG Chengyuan Property Development Co., Ltd.	Beijing	Property development and sale of commodity housing etc.	45,944.06	-	100.00
Beijing Xisanqi High Tech New Building Material City Management and Development Co., Ltd.	Beijing	Property rental and development etc.	6,129.76	-	100.00
Beijing BBMG Innovation and Technology Incubator Co., Ltd.	Beijing	Property management and technology enterprise incubating	170,000.00	100.00	-
BBMG Investment Property Management Co., Ltd.	Beijing	Hotel management	177,000.00	100.00	-
Beijing BBMG Culture Technology Development Co., Ltd.	Beijing	Technology development, transfer, consulting, service	3,000.00	-	68.00
BBMG Commercial Management Co., Ltd.	Beijing	Business management	1,000.00	-	100.00
BBMG Property Management Co., Ltd.	Beijing	Property management	5,000.00	-	100.00
Beijing Jinhaiyan Property Management Co., Ltd.	Beijing	Property management	1,370.00	-	100.00
Beijing Keshi Hardware Co., Ltd.	Beijing	Manufacture of new products such as construction hardware	30,000.00	-	100.00
BBMG Fengshan Hotel Co., Ltd.	Beijing	Accommodation and catering services, etc.	36,818.91	-	100.00
Beijing Jianji Asset Management Co., Ltd.	Beijing	Self-owned property rental, property management etc.	78,732.78	-	100.00
Beijing BBMG Xinggang Technology Development Co., Ltd.	Beijing	Manufacture and sales of aerated concrete panel	27,480.00	55.68	-
Beijing Woodworking Factory Co., Ltd.	Beijing	Manufacture and sale of wood-based panels, etc.	50,443.00	100.00	-
BBMG Finance Co., Ltd.	Beijing	Operation of finance business and financing advisory business etc.	300,000.00	100.00	-
BBMG Finance Lease Co., Ltd.	Tianjin	Finance lease business	(USD)10,000.00	60.00	40.00
Beijing Tongda Refractory Engineering Technology Co., Ltd.	Beijing	R&D and manufacture of various new refractory materials, etc.	5,000.00	-	100.00
Gongyi Tongda Zhongyuan Refractory Technology Co., Ltd.	Henan	Manufacture and distribution of refractory materials	4,000.00	-	100.00
Yangquan BBMG Tongda Fire-resistant Materials Co., Ltd.	Shanxi	Manufacture and sale of refractory ceramic products, etc.	13,500.00	-	100.00
Cheng'an BBMG Taihang Concrete Co., Ltd.	Hebei	Manufacture and sale of commodity concrete	2,500.00	-	100.00
Daming BBMG Taihang Concrete Co., Ltd.	Hebei	Sales of concrete and mortar	1,000.00	-	100.00
Guantao BBMG Yuzhen Concrete Co., Ltd.	Hebei	Sales of prefabricated part	1,000.00	-	100.00
Jinyu Han Chao (Hangzhou) Real Estate Development Co., Ltd.	Zhejiang	Property development and operation, etc.	5,000.00	-	100.00
Beijing Yucheng Real Estate Co., Ltd.	Beijing	Property development and operation, etc.	20,000.00	-	100.00
Beijing Jianyuan Hotel Co., Ltd.	Beijing	Accommodation and catering services	1,000.53	-	100.00
BBMG Badaling Hotel Co., Ltd.	Beijing	Room rental	65,420.00	-	100.00
Beijing Chengyuan Real Estate Co., Ltd.	Beijing	Property development	10,000.00	-	100.00
Tangshan Jinyu Tiancai Pipe Technology Co., Ltd.	Tianjin	Manufacturing and sales of steel and iron pipes	50,000.00	-	100.00
Huanbohai (Tianjin) International Economic and Trade Co., Ltd.	Tianjin	Import or export of goods or technologies	20,000.00	-	100.00
Tianjin Jinyu Jinchen Real Estate Development Co., Ltd.	Tianjin	Property development and operation, etc.	50,000.00	-	100.00
Beijing BBMG Wangjing Real Estate Co., Ltd.	Beijing	Property management	5,000.00	-	100.00
Beijing BBMG Hotel Management Co., Ltd.	Beijing	Hotel management	1,000.00	-	100.00
Chengde BBMG Real Estate Development Co., Ltd.	Hebei	Property development and operation	5,000.00	-	100.00

## Notes to Financial Statements

For the year ended 31 December 2025

## VII. INTERESTS IN OTHER ENTITIES (Continued)

## 1. Interests in the subsidiaries (Continued)

Information of the Company's major subsidiaries is as follows: (Continued)

Company	Place of principal business/ registration	Business nature	Registered capital (RMB'000)	Percentage of shareholding (%)	
				Direct	Indirect
<b>Subsidiaries acquired through establishment or investment (Continued)</b>					
Ningbo BBMG Jingsheng Real Estate Development Co., Ltd.	Zhejiang	Property development and operation, etc.	96,000.00	-	100.00
Shaanxi Jinyu Aerated Assembly Parts Co., Ltd. (陝西金隅加氣裝配式部品有限公司)	Shaanxi	Manufacture and sale of aerated concrete products etc.	21,628.93	-	100.00
Beijing Yutai Real Estate Development Co., Ltd. (北京隅泰房地產開發有限公司)	Beijing	Property development and operation, etc.	98,668.00	-	60.00
Nanjing Jinjiarui Real Estate Development Co., Ltd. (南京金嘉瑞房地產開發有限公司)	Jiangsu	Property development and operation, etc.	10,000.00	-	34.00
Zanhuang BBMG Cement Co., Ltd.	Hebei	Manufacture and sales of cement and clinker	70,000.00	-	100.00
BBMG Cement Trading Co., Ltd.	Beijing	Wholesale cement and cement products, etc.	50,000.00	-	100.00
Beijing BBMG International Supply Chain Service Co., Ltd. (北京金隅國際供應鏈服務有限公司)	Beijing	Supply chain management services, etc.	130,000.00	-	100.00
Chongqing Jinyu Xintuo Hotel Management Co., Ltd. (重慶金隅新拓酒店管理有限公司)	Chongqing	Accommodation services, etc.	10,000.00	-	100.00
Beijing Yuyang Real Estate Development Co., Ltd. (北京隅陽房地產開發有限公司)	Beijing	Property development and operation	10,000.00	-	100.00
Beijing Nanyuan Jiasheng Real Estate Co., Ltd. (北京南苑嘉盛置業有限公司)	Beijing	Real estate	60,000.00	-	100.00
Shanghai BBMG Jingpu Real Estate Development Co., Ltd.	Shanghai	Real estate	256,500.00	-	100.00
Liaoning Jinzhong New Material Industry Group Co., Ltd. (遼寧金中新材料產業集團有限公司)	Liaoning	Road transportation	180,000.00	-	50.00
Jinyu Energy-saving Technology (Tianjin) Co., Ltd. (金隅節能科技(天津)有限公司)	Tianjin	Manufacture of chemical raw materials and chemical products	10,000.00	-	100.00
Shanghai Jinyu Jingyang Real Estate Development Co., Ltd. (上海金隅京揚房地產開發有限公司)	Shanghai	Real estate development and operation, residential interior decoration	10,000.00	-	100.00
Suzhou Jinbaoyue Real Estate Development Co., Ltd. (蘇州金保悅房地產開發有限公司)	Jiangsu	Real estate development and operation	150,000.00	-	60.00
Hebei Jinyu Jidong Supply Chain Co., Ltd. (河北金隅冀東供應鏈有限公司)	Hebei	Sale of building materials; sale of cement products, etc.	10,000.00	-	100.00
Henan Jinyu Jidong Supply Chain Co., Ltd. (河南金隅冀東供應鏈有限公司)	Henan	Supply chain management services; sale of building materials, etc.	5,000.00	-	100.00
Beijing Yuxin Real Estate Development Co., Ltd. (北京隅新房地產開發有限公司)	Beijing	Real estate development and operation, residential interior decoration	10,000.00	-	100.00
Beijing Yutong Real Estate Co., Ltd. (北京隅通置業有限公司)	Beijing	Real estate development and operation	40,000.00	-	100.00
Beijing Xingfang New Building Materials Co., Ltd. (北京興房新型建材有限公司)	Beijing	Manufacture of cement products; leasing of machinery and equipment, etc.	3,000.00	-	100.00
Shijiazhuang Jinyu Jinlong Concrete Co., Ltd. (石家莊金隅金龍混凝土有限公司)	Hebei	Manufacture of cement products; sale of cement products, etc.	3,000.00	-	100.00
Shijiazhuang Jinyu Lutong Concrete Co., Ltd. (石家莊金隅鹿砦混凝土有限公司)	Hebei	Manufacture of cement products; sale of cement products, etc.	3,000.00	-	100.00
Beijing Haiyu Jianye Real Estate Development Co., Ltd. (北京海隅建業房地產開發有限公司)	Beijing	Real estate development and operation, residential interior decoration, etc.	2,000.00	-	100.00

# Notes to Financial Statements

For the year ended 31 December 2025

## VII. INTERESTS IN OTHER ENTITIES (Continued)

### 1. Interests in the subsidiaries (Continued)

Information of the Company's major subsidiaries is as follows: (Continued)

Company	Place of principal business/ registration		Registered capital (RMB'0'000)	Percentage of shareholding (%)	
		Business nature		Direct	Indirect
<b>Subsidiaries acquired in business combination not under common control</b>					
Tianjin BBMG Concrete Co., Ltd.	Tianjin	Concrete project construction and manufacturing, etc.	39,590.51	-	100.00
Beijing BBMG Xingfa Science and Technology Co., Ltd.	Beijing	Manufacture of cement and clinker, etc.	131,500.00	95.70	-
Jinyu Jingji (Beijing) Sports Culture Co., Ltd.	Beijing	Project operation of sports	300.00	66.67	-
Beijing Doors and Windows Co., Ltd.	Beijing	Manufacture and process of plastics-steel doors and windows	100.00	100.00	-
Guantao BBMG Taihang Concrete Co., Ltd.	Hebei	Manufacture and sale of commodity concrete	4,000.00	-	100.00
Jidong Development Group Co., Ltd.	Hebei	Building materials industry	247,950.41	55.00	-
BBMG Jidong Cement Group Co., Ltd.	Hebei	Manufacture and sales of cement, clinker, relevant building materials and cement equipment, etc.	265,821.28	44.34	17.22
Jidong Sand Gravel Aggregate Co., Ltd.	Hebei	Aggregate	25,000.00	-	100.00
Tangshan High Voltage Porcelain Insulator Co., Ltd.	Hebei	Manufacture and sales of high voltage porcelain insulator	38,000.00	-	100.00
Hebei Building Material Industry Design & Research Institution	Hebei	Building materials industry engineering design	4,500.00	-	100.00
Tangshan Qixin Cement Industry Museum	Hebei	Cultural relic collection and exhibition to promote national culture, etc.	15,624.00	-	100.00
Tangshan Qixin Jiayi Property Services Co., Ltd.	Hebei	Property service, retail of daily necessities, etc.	500.00	-	100.00
Tangshan Jidong Equipment & Engineering Co., Ltd. (Note 1)	Hebei	Machinery equipment and spare parts and civil installation	22,700.00	-	30.00
Tangshan Jidong Development Machinery and Equipment Manufacturing Co., Ltd.	Hebei	Manufacture and sales of machinery equipment and accessories	97,000.00	-	100.00
Jinyu Rizhang Fan Energy-Conserving Technology (Hebei) Co., Ltd. (formerly known as Jidong Rizhang Energy-Conserving Fan Manufacture Co., Ltd.)	Hebei	State-owned enterprise (machinery manufacturing industry)	21,400.00	-	100.00
Tangshan Jidong Development Construction Technology Co., Ltd. (formerly known as Tangshan Jidong Development Yan Dong Construction Co., Ltd.)	Hebei	Construction industry	50,000.00	-	59.00
Jidong Development International Trading Co., Ltd.	Beijing	Import and export and bulk commodity trade	63,000.00	-	100.00
Jidong Development (HK) International Co., Ltd.	Hong Kong	Commodities trading	(USD)2,000.00	-	100.00
Tangshan Dunshi Real Estate Development Co., Ltd.	Hebei	Real estate	87,500.00	-	100.00
Tangshan Jidong Cement Nanhu Property Development Co., Ltd.	Hebei	Real estate	75,000.00	-	100.00
Tangshan Jidong Property Services Co., Ltd.	Hebei	Property service	300.00	-	100.00
Huawai Wind Power Development Co., Ltd.	Hebei	Wind power equipment manufacturing	15,000.00	-	100.00
Tangshan Qixin Building Materials Co., Ltd.	Hebei	Manufacture of cement and cement products	16,747.00	-	100.00
Tangshan Qixin Cement Co., Ltd.	Hebei	Manufacture of limestone, cement and cement clinker, etc.	23,544.00	-	100.00
Jidong Development Group Tangshan Xinxing Knitting Co., Ltd.	Hebei	Knitting processing	915.98	-	100.00
BBMG Jidong Caofeidian Supply Chain Management Co., Ltd.	Hebei	Supply chain management service	20,000.00	-	90.00
Tangshan Jinyu Dunshi Real Estate Development Co., Ltd.	Hebei	Real estate development and operation and property management services	35,000.00	-	100.00
Tianjin Building Materials Group (Holding) Co., Ltd.	Tianjin	Manufacture and sales of building and decorative materials, etc.	508,222.35	83.21	-
Tianjin Jianyu Energy Development Co., Ltd.	Tianjin	Building materials and commerce and logistics	20,000.00	-	51.00
Tianjin Tiancai Hengye Building Materials Co., Ltd.	Tianjin	Building materials and commerce and logistics	16,526.32	-	100.00

# Notes to Financial Statements

For the year ended 31 December 2025

## VII. INTERESTS IN OTHER ENTITIES (Continued)

### 1. Interests in the subsidiaries (Continued)

Information of the Company's major subsidiaries is as follows: (Continued)

Company	Place of principal business/ registration		Registered capital (RMB'0'000)	Percentage of shareholding (%)	
		Business nature		Direct	Indirect
<b>Subsidiaries acquired in business combination not under common control (Continued)</b>					
Huanbohai Jin'an (Tianjin) Group Holding Co., Ltd. (Note 1)	Tianjin	Property investment management	19,634.40	-	51.66
Tianjin Xincai Property Development Co., Ltd.	Tianjin	Real estate	32,549.81	-	100.00
Tianjin Tiancai Xingchen Building Material Co., Ltd.	Tianjin	Property investment management	42,798.30	-	100.00
Beijing Bengpu Construction Machinery Operation Co., Ltd.	Beijing	Professional contracting; construction general contracting	6,450.00	-	100.00
Tianjin Binhai New Area Haoyu Investment Co., Ltd.	Tianjin	Real estate development and operation; property management	10,000.00	-	100.00
Beijing Mingzhu Glass Products Co., Ltd.	Beijing	Manufacturing, design and installment of glass products	50.00	-	100.00
Jinyu Concrete Group Co., Ltd. (formerly known as Jinyu Jidong (Tangshan) Concrete Environmental Protection Technology Group Co., Ltd.)	Hebei	Manufacturing and sale of concrete and concrete-based products	401,584.26	55.00	45.00
Beijing Jidong Haiqiang Concrete Co., Ltd.	Beijing	Ready-mix commodity concrete, etc.	2,980.00	-	70.00
Beijing Hanxin Concrete Co., Ltd.	Beijing	Production of concrete, etc.	4,509.97	-	70.00
Beijing Hengkun Concrete Co., Ltd.	Beijing	Special goods transportation (in tank), etc.	15,000.00	-	100.00
Tianjin Jidong Haifeng Concrete Co., Ltd.	Tianjin	Wholesale and retail of commodity concrete, etc.	2,500.00	-	100.00
Tianjin Jidong Jinpujiye Concrete Co., Ltd.	Tianjin	Processing, sales and pouring of ready-mixed concrete, etc.	4,405.00	-	100.00
Jidong Concrete (Tianjin) Co., Ltd.	Tianjin	Production, processing and sale of ready-mixed concrete, etc.	6,520.00	-	100.00
Tangshan Jidong Cement Xujian Concrete Co., Ltd.	Hebei	Production of ready-mixed concrete, etc.	3,500.00	-	70.00
Tangshan Qianxi Jidong Concrete Co., Ltd.	Hebei	Production of commodity concrete etc.	1,200.00	-	100.00
Tangshan Jidong Xingang Concrete Co., Ltd.	Hebei	Manufacture and sales of commercial concrete, etc.	3,360.00	-	100.00
Chengde Jidong Hengsheng Concrete Co., Ltd.	Hebei	Construction equipment templates lease, etc.	2,000.00	-	100.00
Hohhot Jidong Cement Concrete Co., Ltd.	Inner Mongolia	Special goods transportation (in tanks)	6,000.00	-	100.00
Jilin Jidong Concrete Co., Ltd.	Jilin	Production of concrete components and products, etc.	2,000.00	-	100.00

# Notes to Financial Statements

For the year ended 31 December 2025

## VII. INTERESTS IN OTHER ENTITIES (Continued)

### 1. Interests in the subsidiaries (Continued)

Information of the Company's major subsidiaries is as follows: (Continued)

Company	Place of principal business/ registration	Business nature	Registered capital (RMB'0'000)	Percentage of shareholding (%)	
				Direct	Indirect
<b>Subsidiaries acquired in business combination not under common control (Continued)</b>					
Chongqing Jushi New Building Materials Co., Ltd.	Chongqing	Class III Qualification for ready-mixed commodity concrete professional contracting, etc.	2,100.00	-	100.00
Xinxingzhan (Chongqing) Building Materials Co., Ltd.	Chongqing	Manufacture and sale of commodity concrete	7,563.07	-	100.00
Jidong Cement (Chongqing) Concrete Co., Ltd.	Chongqing	Special goods transportation (in tank), etc.	3,000.00	-	100.00
Baoji Jidong Dunshi Concrete Co., Ltd.	Shaanxi	Ready-mixed concrete and pouring projects, etc.	6,000.00	-	100.00
Shenzhou Jidong Concrete Co., Ltd.	Hebei	Manufacture and sales of ready-mixed commercial concrete	3,000.00	-	100.00
Datong Dunshi Concrete Co., Ltd.	Shanxi	Sales and transportation of ready mixed concrete, etc.	3,600.00	-	100.00
Changchun Jidong Cement & Concrete Co., Ltd.	Jilin	Production of concrete, etc.	3,000.00	-	100.00
Huanghua BBMG Jidong Concrete Co., Ltd.	Hebei	Sales and transportation of ready-mixed concrete, etc.	2,500.00	-	100.00
Cangzhou Lingang BBMG Jidong Concrete Co., Ltd.	Hebei	Sales and transportation of ready-mixed concrete, etc.	2,500.00	-	100.00
Shijiazhuang BBMG Concrete Co., Ltd.	Hebei	Sales and transportation of ready-mixed concrete, etc.	20,000.00	-	100.00
Tianjin Binhai BBMG Concrete Co., Ltd.	Tianjin	Manufacturing and sale of cement based products, etc.	12,000.00	-	100.00
Jiayu Shangpin Property Management (Tianjin) Co., Ltd.	Tianjin	Property management, etc.	1,000.00	-	100.00
Hebei BBMG Dingxin Cement Co., Ltd.	Hebei	Manufacture and sales of cement and clinker, etc.	131,700.00	-	100.00
Jinyu Thermal Processing Tangshan Co., Ltd.	Hebei	Ferrous metal casting and sales of metal structure, etc.	39,125.00	-	85.00
Beijing BBMG Decoration Engineering Co., Ltd. (北京金隅裝飾工程有限公司)	Beijing	Construction and design of construction work and sales of building decoration materials, etc.	5,882.35	-	100.00
Beijing Huanke Environmental Protection Technology Co., Ltd. (北京環科環保技術有限公司)	Beijing	Sales of environmental protection equipment, pollution treatment and technical services, etc.	1,574.16	-	100.00
Beijing Jingcai Talent Development Center Co., Ltd. (北京京才人才開發中心有限公司)	Beijing	Human resources services, labor dispatch and intermediary services for studying abroad, etc.	12,953.80	100.00	-
Beijing Wuhu Sihai Human Resources Co., Ltd. (北京五湖四海人力資源有限公司)	Beijing	Human resources services, information consultation services, etc.	440.00	-	100.00
Handan Dongfang Risheng Commercial Concrete Co., Ltd. (邯鄲市東方日盛商品混凝土有限公司)	Hebei	Manufacture and sale of concrete	2,500.00	-	90.00
Beijing Jingu Zhitong Lulian Technology Co., Ltd. (北京金谷智通鏈科技有限公司)	Beijing	Logistics information technology development; logistics data technology services, etc.	15,333.33	-	85.00
Handan BBMG Taihang Cement Co., Ltd.	Hebei	Cement manufacturing	66,434.29	-	92.04
Laishui BBMG Jidong Environmental Protection Technology Co., Ltd. (瀋水金隅冀東環保科技有限公司)	Hebei	Eco-friendly technology development, technical services, technical consultation; solid waste treatment, etc.	37,000.00	-	100.00
Shaanxi Qinhan Hengsheng New Building Materials Technology Co., Ltd. (陝西秦漢恆盛新型建材科技有限責任公司)	Shaanxi	Non-metallic mineral products industry	10,000.00	-	51.00
Shuangyashan New Era Cement Co., Ltd. (雙鴨山新時代水泥有限公司)	Heilongjiang	Manufacture of cement products; manufacture of plastic products, etc.	10,618.50	-	100.00
Zhejiang Jinyu Hangjia Green Building Technology Co., Ltd. (浙江金隅杭加綠建科技有限公司)	Zhejiang	Technical services; technology development, technical consulting, technical exchange, technology transfer, technology promotion, etc.	60,000.00	-	54.00
Tianjin Longda Health Consulting Services Co., Ltd. (天津市龍達健康諮詢服務有限公司)	Tianjin	Health-consulting services (excluding medical diagnosis and treatment); conference and exhibition services	5,257.08	-	100.00
Tianjin New Building Materials Architectural Design & Research Institute Co., Ltd. (天津市新型建材建築設計研究院有限公司)	Tianjin	Construction engineering design; engineering general contracting for building construction and municipal infrastructure projects	2,928.99	-	100.00

## Notes to Financial Statements

For the year ended 31 December 2025

## VII. INTERESTS IN OTHER ENTITIES (Continued)

## 1. Interests in the subsidiaries (Continued)

Information of the Company's major subsidiaries is as follows: (Continued)

Company	Place of principal business/ registration	Business nature	Registered capital (RMB'0'000)	Percentage of shareholding (%)	
				Direct	Indirect
<b>Subsidiaries acquired in business combination not under common control (Continued)</b>					
Tangshan Hongde Haisheng Mineral Products Co., Ltd. (唐山鴻德海升礦產品有限責任公司)	Tangshan	Mineral washing and processing; sale of recycled resources; sale of non-ferrous metal alloys; sale of coal and coal products, etc.	16,700.00	-	70.00
Liaoyang Hongguang Mining Co., Ltd. (遼陽市弘光礦業有限公司)	Liaoning	Exploitation of limestone for construction stone within the business scope; processing of construction stone, etc.	500.00	-	70.00
Benxi Yongxing New Building Materials Co., Ltd. (本溪永星新型建材有限公司)	Liaoning	Processing and sale of water-quenched slag and new building materials, etc.	1,700.00	-	100.00
Liaoning Hengwei Cement Group Co., Ltd. (遼寧恆威水泥集團有限公司)	Liaoning	Cement production; exploitation of non-coal mineral resources, etc.	18,000.00	-	100.00
Yantai Runshuo Co., Ltd. (煙台潤碩有限公司)	Shandong	Sale of advanced ceramic materials; sale of architectural ceramic products; sale of specially ceramic products, etc.	3.00	-	100.00
Handan Yongnian District Hongpeng Commercial Concrete Co., Ltd. (邯鄲市永年區宏鵬商砼有限公司)	Hebei	Ready-mixed concrete production and sales, etc.	1,100.00	-	90.00
Shanghai ABM Rock Wool Co., Ltd. (上海新型建材岩棉有限公司)	Shanghai	New mineral-wool thermal-insulation materials, decorative materials and other mineral-wool products, ancillary materials and construction services for mineral-wool products, etc.	40,816.30	-	70.00
Baoding Dongdayang Building Materials Co., Ltd. (保定市東大洋建材有限公司)	Hebei	Manufacture of cement products; sale of cement products; sale of non-metallic minerals and their products, etc.	4,000.00	-	100.00
<b>Subsidiaries acquired in business combination under common control</b>					
Beijing Building Decoration and Design Engineering Co., Ltd.	Beijing	Design of projects' decoration and furniture decoration, etc.	20,000.00	-	100.00
Beijing BBMG Doudian Technology Corporate Management Co., Ltd.	Beijing	Manufacture of energy-saving and insulation building materials, etc.	15,037.66	-	100.00
Beijing BBMG Property Development Group Co., Ltd.	Beijing	Property development and operation	1,371,500.00	100.00	-
Haikou Dacheng Property Investment Co., Ltd.	Hainan	Property development, etc.	1,600.00	-	100.00
BBMG Dacheng Property Management Co., Ltd.	Beijing	Property management	1,000.00	-	100.00
BBMG Hongye Ecological Science and Technology Co., Ltd.	Beijing	Rental and property management, etc.	200.00	-	100.00
BBMG Hong Kong Limited	Hong Kong	Rental of properties held	(HK\$)100.00	100.00	-
Beijing Yanshui Asset Management Co., Ltd.	Beijing	Production of concrete	6,266.85	100.00	-
Beijing BBMG Tongda Fire-resistant Technology Co., Ltd.	Beijing	R&D and manufacture of various new refractory materials, etc.	28,517.14	100.00	-
Jidong Cement Tongchuan Co., Ltd.	Shaanxi	Manufacturing and sale of cement and cement-based products	130,000.00	-	100.00

Note 1: Among the subsidiaries of the Group, Beijing BBMG Tiantan Furniture Co., Ltd., BBMG Jidong, Jidong Equipment, Huanbohai Jinan (Tianjin) Group Holding Co., Ltd. and Beijing Building Materials Testing Academy Co., Ltd. are joint stock companies (股份有限公司), and other subsidiaries are limited liability companies (有限責任公司).

Note 2: Due to the large number of subsidiaries of the Group, the above tables only list the subsidiaries that have a significant impact on income statement or equity attributable to the shareholders, and do not list all subsidiaries one by one.

## Notes to Financial Statements

For the year ended 31 December 2025

### VII. INTERESTS IN OTHER ENTITIES (Continued)

#### 1. Interests in the subsidiaries (Continued)

Subsidiaries with significant minority interests are as follows:

2025

Company	Percentage of minority shareholding	Profit or loss attributable to minority shareholder	Dividend payment to minority shareholders	Unit: RMB
				Accumulated equity attributable to minority shareholders at the end of the year
Tianjin Building Materials Group (Holding) Co., Ltd.	16.79%	(42,356,490.86)	18,982,537.92	1,975,379,959.35
BBMG Jidong Cement Group Co., Ltd.	46.19%	(59,005,335.91)	10,300,000.00	15,269,324,850.96

2024

Company	Percentage of minority shareholding	Profit or loss attributable to minority shareholder	Dividend payment to minority shareholders	Unit: RMB
				Accumulated equity attributable to minority shareholders at the end of the year
Tianjin Building Materials Group (Holding) Co., Ltd.	16.79%	(57,195,921.06)	9,491,268.96	2,036,718,988.13
BBMG Jidong Cement Group Co., Ltd.	46.19%	(629,927,401.77)	8,128,725.20	15,338,630,186.87

## Notes to Financial Statements

For the year ended 31 December 2025

### VII. INTERESTS IN OTHER ENTITIES (Continued)

#### 1. Interests in the subsidiaries (Continued)

The following table sets forth the major financial information of the above-mentioned subsidiaries. Relevant figures represent amounts before intragroup offsetting:

31 December 2025

Items	Unit: RMB	
	Tianjin Building Materials Group (Holding) Co., Ltd.	BBMG Jidong Cement Group Co., Ltd.
Current assets	7,350,522,281.21	13,256,453,811.25
Non-current assets	11,334,415,260.72	46,807,133,316.02
Total assets	18,684,937,541.93	60,063,587,127.27
Current liabilities	11,529,438,015.95	15,518,949,264.91
Non-current liabilities	1,267,242,672.97	13,049,186,697.15
Total liabilities	12,796,680,688.92	28,568,135,962.06
Operating revenue	9,014,328,672.71	24,500,912,048.98
Net profits	(511,233,843.18)	7,705,187.23
Total comprehensive income	(514,937,605.12)	7,484,818.93
Net cash flows from operating activities	808,848,755.52	3,350,945,228.12

31 December 2024

Items	Unit: RMB	
	Tianjin Building Materials Group (Holding) Co., Ltd.	BBMG Jidong Cement Group Co., Ltd.
Current assets	8,202,677,186.14	14,624,936,901.19
Non-current assets	11,393,549,311.26	47,651,694,583.43
Total assets	19,596,226,497.40	62,276,631,484.62
Current liabilities	11,675,246,919.50	16,459,355,154.99
Non-current liabilities	1,461,411,068.75	14,569,134,038.25
Total liabilities	13,136,657,988.25	31,028,489,193.24
Operating revenue	10,885,023,339.41	25,272,597,849.89
Net profits	(466,856,116.64)	(1,282,875,855.45)
Total comprehensive income	(467,104,116.64)	(1,316,891,226.74)
Net cash flows from operating activities	81,153,530.31	3,205,040,475.65

## Notes to Financial Statements

For the year ended 31 December 2025

### VII. INTERESTS IN OTHER ENTITIES (Continued)

#### 2. Interests in joint ventures and associates

Company	Place of registration/ principal business	Business nature	Registered capital (RMB'000)	Percentage of shareholding (%)	
				Direct	Indirect
<b>Joint ventures</b>					
STAR-USG Building Materials Co., Ltd.	Dachang County	Production of mineral wool acoustic board, etc.	(USD)54,520.00	50.00	-
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	Baoji	Manufacture and sales of cement and clinker, etc.	489,875.00	-	48.11
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	Xianyang	Manufacture and sales of cement and clinker, etc.	458,960.00	-	50.00
Tangshan Caofeidian Dunshi New Building Material Co., Ltd.	Tangshan	Manufacture and sales of slag fine powder and byproduct	200,000.00	-	50.00
Anshan Jidong Cement Co., Ltd.	Anshan	Manufacture and sales of cement and clinker, etc.	300,000.00	-	50.00
Cross Point Trading 274 (Pty) Ltd (RF)	South Africa	Investment in building materials industry, etc.	(ZAR)300,000.00	-	56.10
Hebei Xiongan Zhitong Technology Co., Ltd.	Baoding	New material technology promotion service and concrete technology development, etc.	20,000.00	-	51.00
Beijing Qiyuan Development and Construction Co., Ltd. (北京啟苑開發建設有限公司)	Beijing	Property development and operation, etc.	100,000.00	-	90.00
Dahongmen (Beijing) Construction Development Co., Ltd.	Beijing	Property development and sale of self-developed commercial housing	1,000,000.00	-	60.00
BBMG Vanke Property Development Co., Ltd.	Beijing	Property development and sale of self-developed commercial housing	190,000.00	-	51.00
Beijing Baohe Real Estate Development Co., Ltd. (北京保合房地產開發有限公司)	Beijing	Property development and operation	10,000.00	-	60.00
Beijing Haiyu Zhixin Real Estate Development Co., Ltd. (北京海隅置欣房地產開發有限公司)	Beijing	Property development and operation	100,000.00	-	49.00
Nanjing Huayu Decoration Engineering Co., Ltd. (南京鉅隅裝飾工程有限公司)	Nanjing	Residential interior decoration; construction engineering construction	2,000.00	-	50.00

## Notes to Financial Statements

For the year ended 31 December 2025

## VII. INTERESTS IN OTHER ENTITIES (Continued)

## 2. Interests in joint ventures and associates (Continued)

Company	Place of registration/ principal business	Business nature	Registered capital (RMB'000)	Percentage of shareholding (%)	
				Direct	Indirect
<b>Associates</b>					
Zehnder (China) Indoor Climate Co., Ltd.	Beijing	Production of radiators, etc.	(USD)27,500.00	26.73	-
OCV Reinforcements (Beijing) Co., Ltd.	Beijing	Complete non-standard control of concrete and pumping	276,003.00	20.00	-
Beijing Sinobaide Technology Co., Ltd.	Beijing	Design and production of equipment	10,000.00	-	23.00
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	Chengde	Technology research and testing for comprehensive utilization of solid waste	53,739.00	-	44.18
Tangshan Conch Profiles Co., Ltd.	Tangshan	Manufacture and sales of architectural profiles	160,000.00	40.00	-
Beijing Chenyu Real Estate Development Co., Ltd.	Beijing	Property development and operation, etc.	5,500,000.00	-	49.00
Toto Machinery (Beijing) Company Limited	Beijing	Production of sanitary ceramics, etc.	(USD)24,000.00	20.00	-
Jidong Cement Fufeng Transportation Co., Ltd.	Baoji	Automobile transportation, etc.	16,000.00	-	23.75
Jilin Changjitu Investment Co., Ltd.	Jilin	Service industry, etc.	500,000.00	-	30.00
Tianjin Yaopi Glass Co., Ltd.	Tianjin	Manufacture and sale of various types of plate glass, etc.	736,166.00	-	22.74
Beijing Innovation Industry Investment Co., Ltd.	Beijing	Investment management, asset management, etc.	2,000,000.00	10.00	-
Nanjing Huayu Real Estate Development Co., Ltd. (南京緯陽房地產開發有限公司)	Nanjing	Property development and sale of self-developed commercial housing	1,000,000.00	-	50.00
Beijing Yichang Real Estate Co., Ltd. (北京怡暢置業有限公司)	Beijing	Property development and sale of self-developed commercial housing, etc.	1,830,000.00	-	35.00
Beijing Jinhaicheng Management Consulting Partnership LLP (北京金海誠管理諮詢合夥企業(有限合夥))	Beijing	Business management	2,000.00	-	30.00
Beijing Jinhaicheng Technology Innovation Investment Partnership LLP (北京金海誠科創投資合夥企業(有限合夥))	Beijing	Asset management, investment consultation	198,000.00	-	50.51
Beijing Jingxi Ecological Cultural Tourism Investment Co., Ltd. (北京京西生態文旅投資有限公司)	Beijing	Cultural industry investment, project development and operation	1,000,000.00	10.00	-
Beijing Zhongtai Jinjian Real Estate Development Co., Ltd. (北京中泰金建房地產開發有限公司)	Beijing	Property development and operation; sale of self-developed commercial housing	100,000.00	-	34.00
Hebei Jiaotou Green Building Materials Co., Ltd. (河北交投綠色建材有限公司)	Baoding	Manufacture and sales of cement products, etc.	100,000.00	-	12.00
Beijing Jinzhu Xingye Real Estate Development Co., Ltd.	Beijing	Property development and operation	1,500,000.00	-	49.00
Easyhome New Retail Group Corporation Limited	Wuhan	Sales of general merchandise and daily necessities	6,287,288.00	10.00	-
CAMC BBMG Intelligent Manufacturing Workshop REIT	Note 1	Closed-end fund	1,135,600.00	35.00	-

The Group adopts the equity method for interests in joint ventures and associates.

Note 1: The fund was issued and listed on the Shanghai Stock Exchange.

## Notes to Financial Statements

For the year ended 31 December 2025

### VII. INTERESTS IN OTHER ENTITIES (Continued)

#### 2. Interests in joint ventures and associates (Continued)

The following table sets forth the consolidated financial information on joint ventures and associates which are not individually significant to the Group:

Items	Unit: RMB	
	2025	2024
Joint ventures:		
Total carrying amount of investments	<b>1,669,984,059.59</b>	1,689,931,024.71
Total amount calculated based on shareholding		
Net profits	<b>106,413,790.91</b>	102,205,398.20
Total comprehensive income	<b>117,210,177.21</b>	105,064,325.28
Associates:		
Total carrying amount of investments	<b>7,286,999,937.83</b>	7,668,475,720.73
Total amount calculated based on shareholding		
Net profits	<b>(147,684,471.05)</b>	262,453,298.16
Total comprehensive income	<b>(147,684,471.05)</b>	262,453,298.16
Total carrying amount	<b>8,956,983,997.42</b>	9,358,406,745.44
Total investment gains	<b>(41,270,680.14)</b>	364,658,696.36
Total comprehensive income	<b>(30,474,293.84)</b>	367,517,623.44

### VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS

#### 1. Financial instruments risks

The Group is exposed to various types of risks from financial instruments during its ordinary course of business, mainly including credit risk, liquidity risk and market risk. The Group's risk management policies are described as follows.

## Notes to Financial Statements

For the year ended 31 December 2025

### **VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)**

#### **1. Financial instruments risks (Continued)**

##### *Credit risk*

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who request to trade on credit terms are subject to credit verification procedures. In addition, balances of accounts receivable are monitored on an ongoing basis to ensure that the Group's exposure to bad debt is not significant. For transactions that are not settled in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Department of Credit Control of the Group.

As the counterparties of cash and bank balances and bank acceptance bills receivable are mainly banks with good reputations and higher credit ratings, these financial instruments have lower credit risk.

The credit risk of the Group's other financial assets, which comprise other receivables, long-term receivables and debt investments, etc. arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. The Group is also exposed to credit risk for providing financial guarantees, further details of which are disclosed in Note XII. 2. Contingencies.

The maximum credit risk exposure of the Group on each balance sheet date is the total amount charged to customers less the amount after deducing impairment provision.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's accounts receivable are widely dispersed in different sectors and industries. The Group does not hold any collateral or other credit enhancements over the balances of accounts receivable.

##### *Criteria for judging significant increase in credit risk*

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each balance sheet date. The Group determines the significant increase in credit risk mainly based on the criteria that if there are any significant changes in one or more of the following indicators: the material adverse changes in the business environment, internal and external credit rating, actual or expected operating results of the debtor.

##### *Definition of credit-impaired asset*

The primary criterion of the Group to determine credit impairment is the overdue period exceeding 180 days. However, in certain circumstances, if internal or external information indicates that the contract amount may not be fully recovered before taking into account any credit enhancements, the Group also considers it is credit-impaired.

The credit impairment on a financial asset may be caused by the combined effect of multiple events and may not be necessarily due to a single event.

The assessment of a significant increase in credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Group identifies the key economic indicators that affect the credit risk and ECL of various business types.

## Notes to Financial Statements

For the year ended 31 December 2025

### VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

#### 1. Financial instruments risks (Continued)

##### *Liquidity risk*

The Group's objective is to maintain a balance between continuity and flexibility of financing through the use of various financing methods, such as bank borrowings, perpetual bonds, bonds payable and short-term financing bonds payable.

The liquidity of the Group is primarily dependent on adequate cash inflows from operations to meet its debt obligations as they fall due and external financing to meet its committed future capital expenditure. The table below summarises the maturity analysis of financial liabilities and lease liabilities based on the undiscounted contractual cash flows:

#### 31 December 2025

Items	Unit: RMB				
	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Short-term loans	25,987,371,182.60	-	-	-	25,987,371,182.60
Bills payable	4,150,182,175.87	-	-	-	4,150,182,175.87
Accounts payable	16,573,021,864.84	-	-	-	16,573,021,864.84
Other payables	6,584,045,169.32	-	-	-	6,584,045,169.32
Short-term financing bonds payable	1,002,577,534.25	-	-	-	1,002,577,534.25
Long-term borrowings	19,787,144,653.56	24,755,441,944.19	30,370,069,991.97	5,113,577,520.30	80,026,234,110.02
Bonds payable	6,022,652,533.84	3,518,385,735.11	11,142,920,747.68	2,598,171,506.85	23,282,130,523.48
Lease liabilities	105,416,376.71	155,395,896.27	196,772,515.84	236,500,572.85	694,085,361.67
Long-term payables	172,474,158.80	143,473,474.59	231,513,263.64	91,993,377.31	639,454,274.34
Other non-current liabilities	40,430,800.00	40,430,800.00	239,292,400.00	2,033,363,453.15	2,353,517,453.15
<b>Total</b>	<b>80,425,316,449.79</b>	<b>28,613,127,850.16</b>	<b>42,180,568,919.13</b>	<b>10,073,606,430.46</b>	<b>161,292,619,649.54</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

#### 1. Financial instruments risks (Continued)

##### *Liquidity risk (Continued)*

31 December 2024

Items					Unit: RMB
	Within 1 year	1 to 2 years	2-5 years	Over 5 years	Total
Short-term loans	28,750,156,523.65	-	-	-	28,750,156,523.65
Bills payable	3,055,166,040.97	-	-	-	3,055,166,040.97
Accounts payable	20,944,153,978.57	-	-	-	20,944,153,978.57
Other payables	6,052,409,352.62	-	-	-	6,052,409,352.62
Short-term financing bonds payable	6,078,723,287.67	-	-	-	6,078,723,287.67
Long-term borrowings	9,979,773,755.17	15,969,766,532.70	30,319,945,425.73	9,852,188,035.90	66,121,673,749.50
Bonds payable	10,686,586,603.49	5,155,282,219.18	6,688,817,123.29	4,734,369,726.03	27,265,055,671.99
Lease liabilities	197,263,403.95	155,591,245.54	147,356,294.40	301,594,018.89	801,804,962.78
Long-term payables	161,419,475.33	138,264,608.38	101,518,196.52	19,818,200.00	421,020,480.23
<b>Total</b>	<b>85,905,652,421.42</b>	<b>21,418,904,605.80</b>	<b>37,257,637,039.94</b>	<b>14,907,969,980.82</b>	<b>159,490,164,047.98</b>

##### *Market risk*

##### *Interest rate risk*

The Group's exposure to the changes in market interest rates is mainly related to the floating-rate long-term liabilities of the Group. The Group manages its interest cost by maintaining an appropriate mix of fixed- and floating-rate debts. The Group manages interest rate risk by closely monitoring the changes in interest rates and reviewing borrowings on a regular basis.

The table below demonstrates the sensitivity analysis of interest rate risk that reflects the impact on net profit or loss for the year (through the impact on floating-rate borrowings) and shareholders' equity when a reasonably possible change in interest rates occurs, with all other variables held constant.

Items	Unit: RMB		
	Increase/(decrease) in basis points	Increase/(decrease) in net profit or loss	Increase/(decrease) in total shareholders' equity
<b>31 December 2025</b>	<b>50.00</b>	<b>(107,079,460.26)</b>	<b>(107,079,460.26)</b>
31 December 2024	50.00	(71,166,918.39)	(71,166,918.39)

## Notes to Financial Statements

For the year ended 31 December 2025

### VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

#### 1. Financial instruments risks (Continued)

##### Market risk (Continued)

##### Foreign exchange risk

The Group is exposed to transactional foreign exchange risk. This risk arises from sales or purchases conducted by operating units in currencies other than their functional currency.

The table below demonstrates the sensitivity analysis of foreign exchange risk that reflects the impact on net profit or loss and net other comprehensive income after tax when a possible change in the exchange rate of USD and ZAR against RMB occurs, with other variables held constant.

2025

Unit: RMB

Items	Increase/(decrease) in exchange rate %	Increase/(decrease) in net profit or loss	Increase/(decrease)	
			in net other comprehensive income after tax	in total shareholders' equity
RMB depreciation against USD	1.00	1,933,390.46	-	1,933,390.46
RMB appreciation against USD	1.00	(1,933,390.46)	-	(1,933,390.46)
RMB depreciation against ZAR	1.00	1,207,738.67	-	1,207,738.67
RMB appreciation against ZAR	1.00	(1,207,738.67)	-	(1,207,738.67)

2024

Unit: RMB

Items	Increase/(decrease) in exchange rate %	Increase/(decrease) in net profit or loss	Increase/(decrease) in	
			net other comprehensive income after tax	total shareholders' equity
RMB depreciation against USD	1.00	717,347.36	-	717,347.36
RMB appreciation against USD	1.00	(717,347.36)	-	(717,347.36)
RMB depreciation against ZAR	1.00	955,437.50	-	955,437.50
RMB appreciation against ZAR	1.00	(955,437.50)	-	(955,437.50)

#### 2. Capital management

The main objective of the Group's capital management is to ensure the Group's ability to operate on a going concern basis and maintain healthy capital ratios so as to support business growth and maximise shareholder value.

# Notes to Financial Statements

For the year ended 31 December 2025

## VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

### 2. Capital management (Continued)

The Group manages its capital structure and makes adjustments in response to changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the distribution of profits to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. As at 31 December 2025 and 31 December 2024, there was no change in the capital management objectives, policies or procedures.

The Group controls its capital using debt ratio, which is calculated by dividing total liabilities by total assets. As at the balance sheet date, the debt ratio of the Group was as follows:

Items	Unit: RMB	
	31 December 2025	31 December 2024
Total liabilities	<b>174,703,297,682.91</b>	171,878,399,570.89
Total assets	<b>263,618,957,678.36</b>	263,995,720,701.11
Debt ratio	<b>66.27%</b>	65.11%

### 3. Hedging

#### (1) Conducting hedge transactions for the purpose of risk management

Item	Relevant risk management strategy and objectives	Qualitative and quantitative information of hedged risks	Economic correlation between the hedged item and relevant hedging instruments	Effective fulfillment of expected risk management objectives	Impact of relevant hedging activities on risk exposure
Commodity price risk	Hedging, as an important risk management tool, allows companies to use the futures market to transfer risks, with a view to avoiding the risk of fluctuations in spot price, achieving more stable operation and improving the operational efficiency of the enterprise.	As of 31 December 2025, the hedged item with the amount of RMB1,229.2 million was exposed to changes in fair value.	Selling hedging for existing spot inventories.	Taking stable production and operation as its fundamental starting point, the Company prudently carried out financial derivative business, strengthened business supervision and management, and effectively leveraged the hedging functions of financial derivatives to offset the risk of fluctuations in commodity price.	The hedging instruments effectively hedged the commodity price risk, and the Group adopted fair value hedge accounting for such hedging activities.

## Notes to Financial Statements

For the year ended 31 December 2025

### VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

#### 3. Hedging (Continued)

##### (2) Conducting qualifying hedge transactions and applying hedge accounting

Item	Hedging type	Carrying amount related to hedged items and hedging instruments	Cumulative fair value hedge adjustments of hedged items included in the carrying amount of the hedged items recognised	Sources of hedge effectiveness and hedge ineffectiveness	Impact of hedge accounting on the Company's financial statements
Market risk	Fair value hedging	As at 31 December 2025, hedged items were RMB1,229,199,650.00	RMB20,778,772.01	Expected to be highly effective	In 2025, gains and losses from changes in fair value was RMB4,216,322.19

##### *Fair value hedge*

The Group is engaged in trading of commodities such as non-ferrous metals and ferrous metals (including copper, iron ore, steel billet, coking coal futures). The industrial products held by the Group are subject to the risk of price changes. Therefore, the Group uses futures contracts of futures exchanges to manage its exposure to commodity price risks arising from all industrial products it holds. The standard indicators for the industrial products sold by the Group are the same as the corresponding delivery grades in the futures contract. The basic variables of the hedging instrument (futures contract) and the hedged item (standard parameters of the bulk commodities held by the Group) are all standard parameter prices. Through qualitative analysis, the Group determines that the ratio of the number of hedging instruments to the number of hedged items was 1:1. The ineffective portion of hedging mainly arose from the basis risk, the risk of changes in supply and demand in the spot or futures market, and other risks of uncertainties in the spot or futures market. The amount of ineffective hedges recognized during the period was not significant. The Group adopted fair value hedge for such hedging.

# Notes to Financial Statements

For the year ended 31 December 2025

## VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

### 3. Hedging (Continued)

#### (2) Conducting qualifying hedge transactions and applying hedge accounting (Continued)

##### Fair value hedge (Continued)

The time distribution and average price of the nominal amount of the hedging instruments are as follows:

#### 2025

Items	Unit: RMB
	Within 6 months
Nominal amount of copper futures	122,877,149.55
Average price of copper futures (Unit: RMB/tonne)	91,020.11
Nominal amount of iron ore futures	989,416,770.20
Average price of iron ore futures (Unit: RMB/tonne)	752.41
Nominal amount of steel billet futures	89,799,064.77
Average price of steel billet futures (Unit: RMB/tonne)	3,158.60
Nominal amount of coking coal futures	52,410,472.74
Average price of coking coal futures (Unit: RMB/tonne)	1,115.59

#### 2024

Items	Unit: RMB
	Within 6 months
Nominal amount of copper futures	26,460,000.00
Average price of copper futures (Unit: RMB/tonne)	75,600.00
Nominal amount of iron ore futures	319,382,996.00
Average price of iron ore futures (Unit: RMB/tonne)	784.72
Nominal amount of steel billet futures	13,450,311.84
Average price of steel billet futures (Unit: RMB/tonne)	3,842.95
Nominal amount of coking coal futures	55,647,886.56
Average price of coking coal futures (Unit: RMB/tonne)	1,142.20

## Notes to Financial Statements

For the year ended 31 December 2025

### VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

#### 3. Hedging (Continued)

##### (2) Conducting qualifying hedge transactions and applying hedge accounting (Continued)

*Fair value hedge (Continued)*

Changes in the carrying amount and fair value of the hedging instruments are as follows:

**2025**

Item	Nominal amounts of the hedging instruments	Carrying amounts of the hedging instruments		Items on the balance sheet that contain hedging instruments	Changes in fair value of hedging instruments used as a basis for recognizing the ineffective portion of hedging for the year
		Assets	Liabilities		
Commodity price risk - inventories	1,254,503,457.26	-	16,562,449.82	Inventories	-

**2024**

Item	Nominal amounts of the hedging instruments	Carrying amounts of the hedging instruments		Items on the balance sheet that contain hedging instruments	Changes in fair value of hedging instruments used as a basis for recognizing the ineffective portion of hedging for the year
		Assets	Liabilities		
Commodity price risk - inventories	414,941,194.40	7,268,710.01	-	Inventories	-

The carrying amount of hedged items and related adjustments are as follows:

**Notes to Financial Statements**

For the year ended 31 December 2025

**VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)****3. Hedging (Continued)****(2) Conducting qualifying hedge transactions and applying hedge accounting (Continued)***Fair value hedge (Continued)***2025**

Unit: RMB

Item	Carrying amount of hedged items Assets	Cumulative amount of adjustments to fair value hedge of hedged items (included in carrying amount of hedged items) Assets	Items on the balance sheet that contain hedging instruments	Changes in fair value of hedging instruments used as a basis for recognizing the ineffective portion of hedging for the year
Commodity price risk - inventories	1,229,199,650.00	20,778,772.01	Inventories	-

**2024**

Unit: RMB

Item	Carrying amount of hedged items Assets	Cumulative amount of adjustments to fair value hedge of hedged items (included in carrying amount of hedged items) Assets	Items on the balance sheet that contain hedging instruments	Changes in fair value of hedging instruments used as a basis for recognizing the ineffective portion of hedging for the year
Commodity price risk - inventories	386,256,980.00	(8,676,280.00)	Inventories	-

## Notes to Financial Statements

For the year ended 31 December 2025

### VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

#### 3. Hedging (Continued)

##### (2) Conducting qualifying hedge transactions and applying hedge accounting (Continued)

*Fair value hedge (Continued)*

The ineffective portion of hedging in the changes in fair value of hedging instruments is set out below:

2025

Unit: RMB

Item	Ineffective portion of hedging included in profit or loss	Ineffective portion of hedging included in other comprehensive income	Items on the income statement that contain ineffective portion of hedging
Inventory price risk	4,216,322.19	-	-

2024

Unit: RMB

Item	Ineffective portion of hedging included in profit or loss	Ineffective portion of hedging included in other comprehensive income	Items on the income statement that contain ineffective portion of hedging
Inventory price risk	3,060,500.00	-	-

**Notes to Financial Statements**

For the year ended 31 December 2025

**VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)****4. Transfers of financial assets**

Unit: RMB

Transfer method	Nature of transferred financial assets	Amount of transferred		
		financial assets	Derecognition	Basis for determining derecognition
Endorsement of bills/bill discounting	Bills receivable	261,925,529.29	Not derecognised	Retained substantially all risks and rewards, including default risks associated
Endorsement of bills/bill discounting	Receivables financing	3,388,627,828.97	Derecognised	Transferred substantially all risks and rewards
Factoring	Accounts receivable	171,798,319.20	Not derecognised	Retained substantially all risks and rewards, including default risks associated
Factoring	Accounts receivable	1,126,369,775.39	Derecognised	Transferred substantially all risks and rewards
Asset securitization	Accounts receivable	1,078,377,881.38	Derecognised	Transferred substantially all risks and rewards
Total		6,027,099,334.23		

As at 31 December 2025, the financial assets derecognised due to transfer are as follows:

Unit: RMB

Items	Transfer method of financial assets	Amount of financial assets derecognized	Losses related to derecognition
Receivables financing	<b>Endorsement of bills/bill discounting</b>	3,388,627,828.97	(381,682.65)
Accounts receivable	<b>Factoring</b>	1,126,369,775.39	(9,440,413.34)
Accounts receivable	<b>Asset securitization</b>	1,078,377,881.38	(22,088,881.38)
Total		5,593,375,485.74	(31,910,977.37)

## Notes to Financial Statements

For the year ended 31 December 2025

### VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

#### 4. Transfers of financial assets

##### *Financial assets transferred but not yet fully derecognised*

As at 31 December 2025, the Group endorsed or discounted bank acceptance bills and commercial acceptance bills with a carrying amount of RMB17,441,688.20 and RMB244,483,841.09 (31 December 2024: RMB90,876,462.23 and RMB226,577,905.13), respectively. The Group is of the opinion that the Group has retained substantially all their risks and rewards, including the default risk associated, the Group continues to recognise them in full and the settled accounts payable or short-term borrowings associated therewith. After the endorsement or discount, the Group no longer reserves the rights to use these financial assets, including the rights to sell, transfer or pledge to any other third parties. As at 31 December 2025, the carrying amount of accounts payable settled by these financial assets or short-term borrowings amounted to RMB261,925,529.29 (31 December 2024: RMB317,454,367.36) in total.

##### *Transferred financial assets fully derecognised but with continuing involvement*

As at 31 December 2025, the carrying amount of bank acceptance bills endorsed to its suppliers for settlement of accounts payable or discounted to the banks by the Group was RMB3,388,627,828.97 (31 December 2024: bank acceptance bills of RMB6,406,717,625.70). As at 31 December 2025, the maturities ranged from 1 to 12 months. Pursuant to relevant provisions of the “Law of Negotiable Instruments”, the holders of commercial instruments shall have the right of recourse against the Group (“Continuing Involvement”) if the relevant acceptance bank defaults. As the Group is of the opinion that the Group has transferred substantially all their risks and rewards, the Group has derecognised them and the carrying amount of the settled accounts payable associated therewith. The maximum exposure to loss from the Continuing Involvement and repurchase and the undiscounted cash flows equal to their carrying amounts. The Group is of the opinion that the fair value of the Continuing Involvement is insignificant.

In 2025, the Group didn't recognised any gains and losses (2024: Nil) on their dates of transfer. No income or expenses were recognised for the current year or on an accumulative basis as a result of the Group's Continuing Involvement in derecognised financial assets. Endorsements were incurred basically evenly during the year.

**Notes to Financial Statements**

For the year ended 31 December 2025

**IX. DISCLOSURE OF FAIR VALUE****1. Assets and liabilities measured at fair value****31 December 2025**

Unit: RMB

Items	Inputs used for the measurement of fair value			Total
	Quoted price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Continuous measurement at fair value				
Financial assets held for trading	18,342,500.00	952,254,054.47	-	970,596,554.47
Receivables financing	-	850,433,443.17	-	850,433,443.17
Other debt investments	-	467,784,342.37	-	467,784,342.37
Investment in other equity instruments	398,814,241.32	-	599,596,074.03	998,410,315.35
Other non-current financial assets	798,123,889.85	-	-	798,123,889.85
Investment properties	-	1,233,447,300.00	46,620,244,425.75	47,853,691,725.75
<b>Total</b>	<b>1,215,280,631.17</b>	<b>3,503,919,140.01</b>	<b>47,219,840,499.78</b>	<b>51,939,040,270.96</b>

31 December 2024

Unit: RMB

Items	Inputs used for the measurement of fair value			Total
	Quoted price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Continuous measurement at fair value				
Financial assets held for trading	19,658,100.00	1,152,935,304.61	-	1,172,593,404.61
Receivables financing	-	885,835,186.93	-	885,835,186.93
Investment in other equity instruments	405,982,715.50	-	248,504,108.06	654,486,823.56
Investment properties	-	1,234,446,171.56	41,688,405,377.29	42,922,851,548.85
Other non-current financial assets	489,561,240.56	-	-	489,561,240.56
<b>Total</b>	<b>915,202,056.06</b>	<b>3,273,216,663.10</b>	<b>41,936,909,485.35</b>	<b>46,125,328,204.51</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### IX. DISCLOSURE OF FAIR VALUE (Continued)

#### 2. Valuation of fair value

Management has assessed that the fair values of the short-term financial assets and financial liabilities, such as cash and bank balances, bills receivable, accounts receivable, receivables financing, other receivables, short-term loans, short-term financing bonds payable, bills payable, accounts payable, other payables and non-current liabilities due within one year, approximate their carrying amounts due to the short residual term of these instruments.

The Group's finance team is led by the manager of the finance and capital department, and is responsible for formulating policies and procedures for the fair value measurement of financial instruments. The finance team reports directly to the chief financial officer and the Audit and Risk Committee. As at each balance sheet date, the finance team analyses changes in the values of financial instruments and determines the main inputs applicable to the valuation, and the valuation must be reviewed and approved by the chief accountant. For the purpose of preparing interim and annual financial statements, the finance team meets the Audit and Risk Committee twice a year to discuss the valuation process and results.

The fair value of financial assets and financial liabilities is determined based on the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction, instead of the amount under forced sale or under liquidation. The following methods and assumptions are used to estimate the fair value:

The fair values of long-term receivables, long-term loans, bonds payable, lease liabilities and long-term payables are calculated by discounting the future cash flows using market yields currently available for other financial instruments with similar contractual terms, credit risk and residual term as the discount rate. As at 31 December 2025, the Group's exposure to non-performance risk associated with the long-term borrowings, bonds payable, lease liabilities and long-term payables is assessed as insignificant.

The fair values of listed equity instruments are determined on the basis of market prices.

#### 3. Level 2 fair value measurement

The Group has entered into derivative financial instrument contracts with various counterparties, mainly of which are financial institutions with high credit ratings. Derivative financial instruments, including foreign exchange forward contracts and interest rate swaps, are measured using valuation techniques similar to forward pricing and swap models and present value methods. The model covers multiple inputs observable in markets, including counterparty's credit quality, spot and forward rates and interest rate curves. The carrying value of foreign exchange forward contracts and interest rate swaps is the same as the fair value. As at 31 December 2025, the mark to market value of derivative financial assets is the net value after offsetting the credit valuation adjustment attributable to the default risk of derivative instrument counterparties. The change of counterparty's credit risk has no significant impact on the evaluation of hedging effectiveness of designated derivative instruments in hedging relationship and other financial instruments measured at fair value.

The fair value of investment properties is determined using the market comparison approach, with reference to the recent unit area sales prices of similar or comparable real estate properties available in the local market in the valuation.

**Notes to Financial Statements**

For the year ended 31 December 2025

**IX. DISCLOSURE OF FAIR VALUE (Continued)****3. Level 2 fair value measurement (Continued)**

The following table sets forth the changes in Level 2 and Level 3 fair value of the investment properties of the Group in 2025:

Items	Unit: RMB	
	Commercial properties Level 2	Commercial properties Level 3
31 December 2024	<b>1,234,446,171.56</b>	<b>41,688,405,377.29</b>
Acquisition for the year	-	<b>161,129,863.67</b>
Transfer from inventories/fixed assets/construction in progress	-	<b>5,353,595,021.45</b>
Disposal for the year	-	<b>(982,802,519.87)</b>
Transfer-out of investment properties	-	<b>(1,886,247.91)</b>
Changes in fair value	<b>(998,871.56)</b>	<b>401,802,931.12</b>
31 December 2025	<b>1,233,447,300.00</b>	<b>46,620,244,425.75</b>

Details of transfer-out of investment properties are set out in Note V. 18.

In 2025, there was no change between different fair value levels of investment properties of the Group.

The following sets forth the valuation method and key inputs used for the valuation of fair value of the investment properties for 2025:

Valuation method	Significant unobservable inputs	Range of variation
Income approach	<b>Unit rental (RMB/sq.m./day)</b>	<b>1.39-12.05</b>
	<b>Return on investment within the lease term</b>	<b>2.00%-6.50%</b>
	<b>Return on investment beyond the lease term</b>	<b>2.50%-7.00%</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### **IX. DISCLOSURE OF FAIR VALUE (Continued)**

#### **4. Information on adjustment of persistent measurement of level-3 fair value and sensitivity analysis of unobservable inputs**

The Group's finance team is led by the manager of the finance and capital department, and is responsible for formulating policies and procedures for the fair value measurement of financial instruments. The finance team reports directly to the chief financial officer and the Audit and Risk Committee. As at each balance sheet date, the finance team analyses changes in the values of financial instruments and determines the main inputs applicable to the valuation, and the valuation must be reviewed and approved by the chief financial officer. For the purpose of preparing interim and annual financial statements, the finance team meets the Audit and Risk Committee twice a year to discuss the valuation process and results.

Investments in unlisted equity instruments are estimated at fair value using the market approach based on unobservable market prices or interest rate assumptions. The Group needs to determine comparable public companies based on industry, size, leverage and strategy, and calculates an appropriate market multiplier, such as enterprise value multiplier, price to earnings multiplier, for each comparable public company identified. Adjustments are made based on specific facts and circumstances of the Company, taking into account factors such as differences in liquidity and size between comparable public companies. The Group believes that the fair value and its changes estimated using valuation techniques is reasonable and the most appropriate value as of the balance sheet date. For the fair value of investment in unlisted equity instrument, the Group estimated the potential impact of using other reasonable and probable assumptions as inputs to the valuation model.

**Notes to Financial Statements**

For the year ended 31 December 2025

**IX. DISCLOSURE OF FAIR VALUE (Continued)****4. Information on adjustment of persistent measurement of level-3 fair value and sensitivity analysis of unobservable inputs (Continued)**

Information on adjustment of persistent measurement of level-3 fair value is as follows:

**2025**

Unit: RMB

Items	Total profit or loss for the current period							
	Opening balance	Transfer into level 3	Transfer out of level 3	Included in profit or loss	Included in other comprehensive income	Purchase	Sale	Closing balance
Equity instrument investment	248,504,108.06	-	-	-	12,337,578.38	356,611,704.63	(17,857,317.04)	599,596,074.03
Investment properties	41,688,405,377.29	5,353,595,021.45	(1,886,247.91)	401,802,931.12	-	161,129,863.67	(982,802,519.87)	46,620,244,425.75
<b>Total</b>	<b>41,936,909,485.35</b>	<b>5,353,595,021.45</b>	<b>(1,886,247.91)</b>	<b>401,802,931.12</b>	<b>12,337,578.38</b>	<b>517,741,568.30</b>	<b>(1,000,659,836.91)</b>	<b>47,219,840,499.78</b>

**2024**

Unit: RMB

Items	Total profit or loss for the current year							
	Opening balance	Transfer into level 3	Transfer out of level 3	Included in profit or loss	Included in other comprehensive income	Purchase	Sale	Closing balance
Equity instrument investment	190,457,572.12	-	-	-	57,701,135.94	345,400.00	-	248,504,108.06
Investment properties	39,484,369,743.91	2,826,625,917.46	(1,156,799,904.09)	642,574,246.23	-	42,501,194.21	(150,865,820.43)	41,688,405,377.29
<b>Total</b>	<b>39,674,827,316.03</b>	<b>2,826,625,917.46</b>	<b>(1,156,799,904.09)</b>	<b>642,574,246.23</b>	<b>57,701,135.94</b>	<b>42,846,594.21</b>	<b>(150,865,820.43)</b>	<b>41,936,909,485.35</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

#### 1. Parent company

Name of parent company	Place of registration	Business nature	Registered capital	Over the Company	
			RMB0'000	Proportion of shareholding (%)	Proportion of votes (%)
BSCOMC	Beijing	Investment and investment management, assets management, as well as the organization of the restructuring or merger of assets of enterprises	5,000,000.00	45.28	45.28

#### 2. Subsidiaries

For details of the subsidiaries, please refer to Note VII. 1. Interests in the subsidiaries.

#### 3. Joint ventures and associates

For details of the joint ventures and associates, please refer to Note VII. 2, and the related party transactions below are presented on a consolidated basis of each entity.

#### 4. Major transactions between the Group and related parties

##### (1) Transactions concerning goods and services with related parties

##### Purchase of goods and receipt of services from related parties

Companies	Contents of transactions	Unit: RMB	
		2025	2024
Transactions with joint ventures and associates			
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	Purchase of goods/receipt of services	<b>96,092,218.50</b>	10,527,814.61
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	Purchase of goods/receipt of services	<b>58,154,485.06</b>	8,435,746.85
Jidong Cement Fufeng Transportation Co., Ltd.	Receipt of services	<b>6,262,077.87</b>	2,667,150.62
Anshan Jidong Cement Co., Ltd.	Purchase of goods/receipt of services	<b>5,429,343.40</b>	-
Tangshan Conch Profiles Co., Ltd.	Purchase of goods/receipt of services	<b>4,276,829.33</b>	3,228,810.60
Tangshan Caofeidian Dunshi New Building Material Co., Ltd.	Purchase of goods/receipt of services	<b>2,265,631.31</b>	132,497.70
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	Purchase of goods/receipt of services	<b>311,320.75</b>	2,192,222.42
Zehnder (China) Indoor Climate Co., Ltd.	Purchase of goods/receipt of services	-	23,149.22
<b>Total</b>		<b>172,791,906.22</b>	27,207,392.02

# Notes to Financial Statements

For the year ended 31 December 2025

## X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

### 4. Major transactions between the Group and related parties (Continued)

#### (1) Transactions concerning goods and services with related parties (Continued)

##### Sale of goods and rendering of services to related parties

Companies	Contents of transactions	Unit: RMB	
		2025	2024
Transactions with joint ventures and associates			
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	Sale of goods/rendering of services	<b>111,128,937.27</b>	221,378,378.79
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	Sale of goods/rendering of services	<b>172,189,529.77</b>	276,064,742.59
Anshan Jidong Cement Co., Ltd.	Sale of goods/rendering of services	<b>48,005,026.79</b>	56,727,039.71
Easyhome New Retail Group Corporation Limited	Sale of goods/rendering of services	<b>13,889,992.67</b>	2,339,908.26
CAMC BBMG Intelligent Manufacturing Workshop REIT	Rendering of services	<b>10,176,101.60</b>	-
Tangshan Caofeidian Dunshi New Building Material Co., Ltd.	Sale of goods/rendering of services	<b>8,733,636.65</b>	19,628,813.16
Jidong Cement Fufeng Transportation Co., Ltd.	Rendering of services	<b>6,406,768.65</b>	2,138,929.85
Hebei Xiongan Zhitong Technology Co., Ltd.	Sale of goods/rendering of services	<b>3,997,807.09</b>	-
Beijing Jinzhu Xingye Real Estate Development Co., Ltd.	Sale of goods	<b>2,206,700.01</b>	-
Toto Machinery (Beijing) Company Limited	Sale of goods/rendering of services	<b>2,505,339.85</b>	248,807.34
Dahongmen (Beijing) Construction Development Co., Ltd.	Sale of goods	<b>1,315,578.00</b>	9,402.65
Nanjing Huayu Decoration Engineering Co., Ltd. (南京鐸隅裝飾工程有限公司)	Sale of goods	<b>646,799.13</b>	7,766,775.98
Zehnder (China) Indoor Climate Co., Ltd.	Rendering of services	<b>611,745.28</b>	-
Cross Point Trading 274 (Pty) Ltd (RF)	Sale of goods/rendering of services	<b>442,300.89</b>	17,870,786.70
Beijing Chenyu Real Estate Development Co., Ltd.	Sale of goods	<b>878,709.09</b>	-
Nanjing Huayu Real Estate Development Co., Ltd. (南京鐸隅房地產開發有限公司)	Sale of goods	<b>40,826.95</b>	3,493,190.21
OCV Reinforcements (Beijing) Co., Ltd.	Sale of goods	<b>17,798.24</b>	44,869.92
STAR-USG Building Materials Co., Ltd.	Rendering of services	<b>59,500.84</b>	-
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	Rendering of services	<b>175,230.48</b>	-
Beijing Qiyuan Development and Construction Co., Ltd. (北京啟苑開發建設有限公司)	Sale of goods	-	16,577,302.76
<b>Total</b>		<b>383,428,329.25</b>	<b>624,288,947.92</b>

Purchase/sale of goods and receipt/rendering of services from/to related parties by the Group are negotiated and determined based on market price, and carried out according to the agreed terms entered into between the Group and related parties.

## Notes to Financial Statements

For the year ended 31 December 2025

### X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

#### 4. Major transactions between the Group and related parties (Continued)

##### (2) Leases with related parties

As lessor

Name of the lessee	Category of leased assets	Unit: RMB	
		2025 Rental income	2024 Rental income
STAR-USG Building Materials Co., Ltd.	Building	14,825,158.18	11,946,663.45
Easyhome New Retail Group Corporation Limited	Mall facilities	29,128,845.52	-
Dahongmen (Beijing) Construction Development Co., Ltd.	Building	1,093,977.75	-
<b>Total</b>		<b>45,047,981.45</b>	<b>11,946,663.45</b>

As lessee

Name of the lessor	Category of leased assets	Unit: RMB	
		2025 Leasing expenses	2024 Leasing expenses
Easyhome New Retail Group Corporation Limited	Building	12,106,705.67	21,955,806.51
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	Building	198,075.14	190,476.16
CAMC BBMG Intelligent Manufacturing Workshop REIT	Building	7,174,773.66	-
<b>Total</b>		<b>19,479,554.47</b>	<b>22,146,282.67</b>

The rentals from the assets leased out to or leased from related parties by the Group are negotiated and determined by making reference to market price, and carried out according to the agreed terms entered into between the Group and related parties.

## Notes to Financial Statements

For the year ended 31 December 2025

**X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)****4. Major transactions between the Group and related parties (Continued)****(3) Guarantees received from/provided to related parties***Guarantees provided to related parties***2025**

Unit: RMB

Guarantor	Guaranteed party	Amount guaranteed	Starting date	Maturity date	Completion of performance of guarantee or not
Beijing BBMG Real Estate Development Group Co., Ltd	Beijing Yichang Real Estate Co., Ltd. (北京怡暢置業有限公司)	418,600,000.00	31 October 2025	31 October 2030	No
BBMG Corporation	Nanjing Huayu Real Estate Development Co., Ltd. (南京鐸陽房 地產開發有限公司)	122,000,000.00	11 October 2024	23 September 2029	No
BBMG Jidong Cement Group Co., Ltd.	Anshan Jidong Cement Co., Ltd.	20,000,000.00	16 May 2025	14 May 2026	No
BBMG Jidong Cement Group Co., Ltd.	Anshan Jidong Cement Co., Ltd.	15,000,000.00	17 October 2025	15 October 2026	No
BBMG Jidong Cement Group Co., Ltd.	Anshan Jidong Cement Co., Ltd.	10,000,000.00	16 December 2025	16 December 2026	No
BBMG Jidong Cement Group Co., Ltd.	Anshan Jidong Cement Co., Ltd.	10,000,000.00	17 June 2025	15 June 2026	No
BBMG Jidong Cement Group Co., Ltd.	Anshan Jidong Cement Co., Ltd.	5,000,000.00	24 September 2025	23 September 2026	No
BBMG Jidong Cement Group Co., Ltd.	Anshan Jidong Cement Co., Ltd.	5,000,000.00	17 November 2025	16 November 2026	No
BBMG Jidong Cement Group Co., Ltd.	Anshan Jidong Cement Co., Ltd.	5,000,000.00	14 November 2025	14 November 2026	No
BBMG Jidong Cement Group Co., Ltd.	Anshan Jidong Cement Co., Ltd.	5,000,000.00	15 December 2025	14 December 2026	No
Total		615,600,000.00			

**2024**

Unit: RMB

Guarantor	Guaranteed party	Amount guaranteed	Starting date	Maturity date	Completion of performance of guarantee or not
BBMG Corporation	Anshan Jidong Cement Co., Ltd.	20,000,000.00	27 May 2024	26 May 2025	No
BBMG Corporation	Anshan Jidong Cement Co., Ltd.	5,000,000.00	28 June 2024	28 June 2025	No
BBMG Corporation	Anshan Jidong Cement Co., Ltd.	15,000,000.00	15 October 2024	14 October 2025	No
BBMG Corporation	Anshan Jidong Cement Co., Ltd.	10,000,000.00	24 October 2024	28 June 2025	No
BBMG Corporation	Anshan Jidong Cement Co., Ltd.	10,000,000.00	15 November 2024	14 November 2025	No
BBMG Corporation	Anshan Jidong Cement Co., Ltd.	15,000,000.00	16 December 2024	16 December 2025	No
BBMG Corporation	Nanjing Huayu Real Estate Development Co., Ltd. (南京鐸陽 房地產開發有限公司)	350,000,000.00	21 March 2022	21 March 2025	No
Total		425,000,000.00			

## Notes to Financial Statements

For the year ended 31 December 2025

### X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

#### 4. Major transactions between the Group and related parties (Continued)

##### (4) Borrowing from/lending to related parties

*Borrowings:*

**2025**

Unit: RMB

Related parties	Balance	Commencement date	Maturity date
BSCOMC	120,550,000.00	2 December 2025	2 December 2026
BSCOMC	300,760,000.00	26 December 2025	26 December 2026
BSCOMC	60,000,000.00	1 April 2025	1 April 2026
BSCOMC	110,000,000.00	27 June 2025	27 June 2026
<b>Total</b>	<b>591,310,000.00</b>		

**2024**

Unit: RMB

Related parties	Balance	Commencement date	Maturity date
BSCOMC	60,000,000.00	1 April 2024	1 April 2025
BSCOMC	110,000,000.00	28 June 2024	27 June 2025
BSCOMC	120,550,000.00	2 December 2024	2 December 2025
BSCOMC	300,760,000.00	26 December 2024	25 December 2025
<b>Total</b>	<b>591,310,000.00</b>		

*Lending:*

As of 31 December 2025, the lending by the Group to Cross Point Trading 274 (Pty) Ltd (RF) has been fully settled, with an annual interest rate of 10.75%-11.25% (2024: RMB 83,520,004.34, at an annual interest rate of 11.25%-11.75%).

As of 31 December 2025, the balance of outstanding lending by the Group to Beijing Yichang Real Estate Co., Ltd. (北京怡暢置業有限公司) amounted to RMB348,908,000.00, with an annual interest rate of 6.00% (2024: RMB233,758,000.00 at an annual interest rate of 6.00%).

As of 31 December 2025, the total balance of outstanding lending by the Group to Nanjing Huayu Real Estate Development Co., Ltd. (南京鐸隅房地產開發有限公司) amounted to RMB204,416,913.00, of which the balance of outstanding lending by BBMG Jiahua Nanjing Real Estate Co., Ltd. to Nanjing Huayu Real Estate Development Co., Ltd. (南京鐸隅房地產開發有限公司) amounted to RMB72,500,000.00, with an annual interest rate of 3.00%, and the balance of outstanding lending by Beijing BBMG Real Estate Development Group Co., Ltd. amounted to RMB131,916,913.00, with an annual interest rate of 3.00% (2024: the balance of outstanding lending by BBMG Jiahua Nanjing Real Estate Co., Ltd. to Nanjing Huayu Real Estate Development Co., Ltd. (南京鐸隅房地產開發有限公司) amounted to RMB170,000,000.00, with an annual interest rate of 6.00%, and the balance of outstanding lending by Beijing BBMG Real Estate Development Group Co., Ltd. amounted to RMB131,916,913.00, with an annual interest rate of 6.00%).

## Notes to Financial Statements

For the year ended 31 December 2025

**X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)****4. Major transactions between the Group and related parties (Continued)****(4) Borrowing from/lending to related parties (Continued)***Interest income from lending*

Related parties	Unit: RMB	
	2025	2024
Beijing Yichang Real Estate Co., Ltd. (北京怡暢置業有限公司)	18,668,713.81	14,259,238.00
Nanjing Huayu Real Estate Development Co., Ltd. (南京鉞隅房地產開發有限公司)	12,349,091.72	8,046,931.70
Cross Point Trading 274 (Pty) Ltd (RF)	4,809,671.72	6,618,024.65
STAR-USG Building Materials Co., Ltd.	-	503,269.43
<b>Total</b>	<b>35,827,477.25</b>	<b>29,427,463.78</b>

*Interest expenses from borrowing*

Related party	Unit: RMB	
	2025	2024
BSCOMC	14,239,440.00	15,786,282.60

*Other related party transaction*

Related party	Unit: RMB	
	2025	2024
Beijing Zhongtai Jinjian Real Estate Development Co., Ltd. (北京中泰金建房地產開發有限公司)	2,650,389.42	2,501,756.10

# Notes to Financial Statements

For the year ended 31 December 2025

## X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

### 5. Balances of receivables from and payment to related parties

#### Receivables financing

Related parties	Unit: RMB	
	31 December 2025	31 December 2024
Due from associates		
Jidong Cement Fufeng Transportation Co., Ltd.	66,056.71	74,702.00
Subtotal	66,056.71	74,702.00
Due from joint ventures		
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	1,171,203.11	-
Anshan Jidong Cement Co., Ltd.	615,503.79	-
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	490,884.64	3,860,205.90
Subtotal	2,277,591.54	3,860,205.90
Total	2,343,648.25	3,934,907.90

#### Accounts receivable

Related parties	31 December 2025		31 December 2024	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Due from associates				
Easyhome New Retail Group Corporation Limited	11,780,043.89	987,177.53	12,318,591.86	-
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	10,626,969.07	5,032,567.47	18,386,287.44	10,272,749.11
CAMC BBMG Intelligent Manufacturing Workshop REIT	1,167,327.20	-	-	-
Jidong Cement Fufeng Transportation Co., Ltd.	1,821,238.50	-	1,664,084.96	-
Nanjing Huayu Decoration Engineering Co., Ltd. (南京華隅裝飾工程有限公司)	1,596,703.91	-	1,858,418.20	-
Nanjing Huayu Real Estate Development Co., Ltd. (南京華隅房地產開發有限公司)	532,244.07	52,549.46	3,773,731.74	-
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	43,120.00	2,156.00	493,515.00	24,955.75
Beijing Yichang Real Estate Co., Ltd. (北京怡暢置業有限公司)	-	-	1,712,505.00	103,896.25
Beijing Jinzhu Xingye Real Estate Development Co., Ltd.	-	-	1,081,893.00	125,426.25
Zhongfang Huarui (Tangshan) Real Estate Co., Ltd.	-	-	142,377.45	32,108.21
Beijing Sinobaide Technology Co., Ltd.	-	-	42,432.97	-
Toto Machinery (Beijing) Company Limited	-	-	13,560.00	-
Subtotal	27,567,646.64	6,074,450.46	41,487,397.62	10,559,135.57
Due from joint ventures				
Dahongmen (Beijing) Construction Development Co., Ltd.	2,196,912,653.00	21,969,126.53	921,958,054.00	8,315,590.73
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	26,008,592.47	21,406.42	11,328,150.95	427,999.99
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	9,432,712.33	21,299.20	8,263,344.22	-
Anshan Jidong Cement Co., Ltd.	1,981,689.90	4,623.35	2,080,220.62	-
Tangshan Caofeidian Dunshi New Building Material Co., Ltd.	177,556.09	-	2,682,508.55	-
Cross Point Trading 274 (Pty) Ltd (RF)	-	-	6,963,704.40	1,562,764.76
Subtotal	2,234,513,203.79	22,016,455.50	953,275,982.74	10,306,355.48
Total	2,262,080,850.43	28,090,905.96	994,763,380.36	20,865,491.05

**Notes to Financial Statements**

For the year ended 31 December 2025

**X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)****5. Balances of receivables from and payment to related parties (Continued)***Prepayments*

Unit: RMB

Related parties	31 December 2025		31 December 2024	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Prepayments to associates				
Easyhome New Retail Group Corporation Limited	2,844,885.73	-	-	-
Toto Machinery (Beijing) Company Limited	64,650.00	-	-	-
Zehnder (China) Indoor Climate Co., Ltd.	15,959.75	-	17,707.20	-
Tangshan Conch Profiles Co., Ltd.	12,401.28	-	-	-
Subtotal	2,937,896.76	-	17,707.20	-
Prepayments to joint ventures				
Tangshan Caofeidian Dunshi New Building Material Co., Ltd.	348,154.88	-	23,489.19	-
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	346,782.44	-	7,426,676.17	-
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	203,154.30	-	698,220.38	-
STAR-USG Building Materials Co., Ltd.	19,316.41	-	-	-
Subtotal	917,408.03	-	8,148,385.74	-
Total	3,855,304.79	-	8,166,092.94	-

## Notes to Financial Statements

For the year ended 31 December 2025

### X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

#### 5. Balances of receivables from and payment to related parties (Continued)

##### Other receivables

Related parties	31 December 2025		31 December 2024	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Unit: RMB				
Due from associates				
Zhongfang Huarui (Tangshan) Real Estate Co., Ltd.	440,796,033.00	4,416,649.57	440,355,531.95	4,416,649.57
Beijing Yichang Real Estate Co., Ltd. (北京怡暢置業有限公司)	69,463,843.41	-	-	-
Nanjing Huayu Real Estate Development Co., Ltd. (南京華宇房地產開發有限公司)	61,128,395.54	-	41,891,154.14	-
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	10,361,657.00	10,354,609.08	10,474,191.25	10,353,438.84
Beijing Zhongtai Jinjian Real Estate Development Co., Ltd. (北京中泰金建房地產開發有限公司)	6,238,229.43	-	3,618,080.01	-
CAMC BBMG Intelligent Manufacturing Workshop REIT	2,869,145.50	-	-	-
Hebei Jiaotou Green Building Materials Co., Ltd. (河北交投綠色建材有限公司)	520,000.00	369,200.00	520,000.00	228,800.00
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	240,146.73	3,326.16	285,672.26	2,856.72
Tangshan Conch Profiles Co., Ltd.	1,000.00	120.00	1,000.00	10.00
Tianjin Shengxiang Plastic Pipes Industry Co., Ltd.	-	-	106,278,131.00	104,943,131.00
Beijing Chenyu Real Estate Development Co., Ltd.	-	-	265,632.15	-
Beijing Sinobaide Technology Co., Ltd.	460,000.00	-	230,000.00	-
<b>Subtotal</b>	<b>592,078,450.61</b>	<b>15,143,904.81</b>	<b>603,919,392.76</b>	<b>119,944,886.13</b>
Due from joint ventures				
Beijing Haiyu Zhixin Real Estate Development Co., Ltd. (北京海隅置欣房地產開發有限公司)	1,132,038,465.14	-	-	-
Anshan Jidong Cement Co., Ltd.	107,477,560.00	-	87,784,560.00	-
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	4,084,956.00	-	1,408,644.00	-
Dahongmen (Beijing) Construction Development Co., Ltd.	1,000,000.00	-	1,000,000.00	-
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	843,000.00	-	1,275,260.00	-
Tangshan Caofeidian Dunshi New Building Material Co., Ltd.	140,000.00	-	440,000.00	-
Hebei Xiongan Zhitong Technology Co., Ltd.	-	-	2,066,643.43	-
<b>Subtotal</b>	<b>1,245,583,981.14</b>	<b>-</b>	<b>93,975,107.43</b>	<b>-</b>
<b>Total</b>	<b>1,837,662,431.75</b>	<b>15,143,904.81</b>	<b>697,894,500.19</b>	<b>119,944,886.13</b>

# Notes to Financial Statements

For the year ended 31 December 2025

## X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

### 5. Balances of receivables from and payment to related parties (Continued)

*Long-term receivables (including the amount due within one year)*

Related parties	31 December 2025		31 December 2024	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Due from associates				
Beijing Yichang Real Estate Co., Ltd. (北京怡暢置業有限公司)	348,908,000.00	2,337,580.00	233,758,000.00	2,337,580.00
Nanjing Huayu Real Estate Development Co., Ltd. (南京華宇房地產開發有限公司)	204,416,913.00	1,319,169.13	301,916,913.00	1,319,169.13
Easyhome New Retail Group Corporation Limited	106,965,193.55	-	133,610,855.94	-
<b>Subtotal</b>	<b>660,290,106.55</b>	<b>3,656,749.13</b>	<b>669,285,768.94</b>	<b>3,656,749.13</b>
Due from joint ventures				
Cross Point Trading 274 (Pty) Ltd (RF)	-	-	83,520,004.34	-
<b>Total</b>	<b>660,290,106.55</b>	<b>3,656,749.13</b>	<b>752,805,773.28</b>	<b>3,656,749.13</b>

Unit: RMB

### *Accounts payable*

Related parties	31 December 2025		31 December 2024	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Due to associates				
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	14,610,734.19	-	14,933,496.65	-
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	2,727,611.25	-	3,889,086.05	-
Tangshan Conch Profiles Co., Ltd.	1,461,982.87	-	1,017,955.21	-
Beijing Sinobaide Technology Co., Ltd.	970,604.12	-	245,337.28	-
Beijing Chenyu Real Estate Development Co., Ltd.	370,000.00	-	-	-
Tianjin Shengxiang Plastic Pipes Industry Co., Ltd.	-	-	185,326.14	-
Easyhome New Retail Group Corporation Limited	2,029,682.97	-	741,057.19	-
Zehnder (China) Indoor Climate Co., Ltd.	-	-	95,000.00	-
Jidong Cement Fufeng Transportation Co., Ltd.	-	-	1,009.44	-
<b>Subtotal</b>	<b>22,170,615.40</b>	<b>-</b>	<b>21,108,267.96</b>	<b>-</b>
Due to joint ventures				
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	1,889,625.63	-	2,615,484.97	-
STAR-USG Building Materials Co., Ltd.	100,907.48	-	388,533.04	-
Jidong Cement Fufeng Transportation Co., Ltd.	2,199.98	-	-	-
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	-	-	479,204.70	-
Anshan Jidong Cement Co., Ltd.	-	-	1,639,027.94	-
<b>Subtotal</b>	<b>1,992,733.09</b>	<b>-</b>	<b>5,122,250.65</b>	<b>-</b>
<b>Total</b>	<b>24,163,348.49</b>	<b>-</b>	<b>26,230,518.61</b>	<b>-</b>

Unit: RMB

## Notes to Financial Statements

For the year ended 31 December 2025

### X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

#### 5. Balances of receivables from and payment to related parties (Continued)

##### Contract liabilities

Related parties	Unit: RMB	
	31 December 2025	31 December 2024
<b>Associates</b>		
Hebei Jiaotou Green Building Materials Co., Ltd. (河北交投綠色建材有限公司)	864,338.02	46,175.65
Beijing Jinzhu Xingye Real Estate Development Co., Ltd.	76,660.00	-
Beijing Chenyu Real Estate Development Co., Ltd.	46,143.27	46,143.26
Jidong Cement Fufeng Transportation Co., Ltd.	32,752.77	-
Toto Machinery (Beijing) Company Limited	-	162,932.55
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	-	66,692.38
Zehnder (China) Indoor Climate Co., Ltd.	-	47,010.00
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	-	1,126.70
<b>Subtotal</b>	<b>1,019,894.06</b>	<b>370,080.54</b>
<b>Joint ventures</b>		
Anshan Jidong Cement Co., Ltd.	2,328,157.50	1,417,699.12
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	1,941,386.79	3,721,298.27
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	1,253,713.71	26,337.96
<b>Subtotal</b>	<b>5,523,258.00</b>	<b>5,165,335.35</b>
<b>Total</b>	<b>6,543,152.06</b>	<b>5,535,415.89</b>

##### Receipts in advance

Related party	Unit: RMB	
	31 December 2025	31 December 2024
<b>Associate</b>		
Toto Machinery (Beijing) Company Limited	-	1,314,285.68
<b>Total</b>	<b>-</b>	<b>1,314,285.68</b>

##### Bills payable

Related party	Unit: RMB	
	31 December 2025	31 December 2024
STAR-USG Building Materials Co., Ltd.	-	6,365,400.00
<b>Total</b>	<b>-</b>	<b>6,365,400.00</b>

**Notes to Financial Statements**

For the year ended 31 December 2025

**X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)****5. Balances of receivables from and payment to related parties (Continued)***Other payables*

Related parties	Unit: RMB	
	31 December 2025	31 December 2024
Due to associates		
Beijing Chenyu Real Estate Development Co., Ltd.	514,627,660.02	416,500,000.00
Beijing Jinzhu Xingye Real Estate Development Co., Ltd.	245,033,954.04	73,533,954.04
Beijing Zhongtai Jinjian Real Estate Development Co., Ltd. (北京中泰金建房地產開發有限公司)	34,000,000.00	197,200,000.00
Tianjin Shengxiang Plastic Pipes Industry Co., Ltd.	-	1,386,323.95
OCV Reinforcements (Beijing) Co., Ltd.	134,200.00	5,000.00
Easyhome New Retail Group Corporation Limited	699,673.59	4,200,000.00
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	-	96,282.52
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	-	100,000.00
Subtotal	794,495,487.65	693,021,560.51
Due to joint ventures		
BBMG Vanke Property Development Co., Ltd.	25,752,358.12	25,752,358.12
Anshan Jidong Cement Co., Ltd.	12,338,473.66	-
Dahongmen (Beijing) Construction Development Co., Ltd.	286,704.24	-
Hebei Xiongan Zhitong Technology Co., Ltd.	197,535.67	-
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	-	104,000.00
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	-	100,000.00
Subtotal	38,575,071.69	25,956,358.12
Total	833,070,559.34	718,977,918.63

*Short-term loans*

Related party	Unit: RMB	
	31 December 2025	31 December 2024
BSCOMC	591,310,000.00	591,310,000.00

As at 31 December 2025, except for short-term loans and the amount due from STAR-USG Building Materials Co., Ltd. in other receivables, and long-term receivables, other amounts due from and due to related parties are interest free, unsecured and have no fixed terms of repayment.

## Notes to Financial Statements

For the year ended 31 December 2025

### X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

#### 6. Remuneration for key management personnel

Item	Unit: RMB	
	2025	2024
Remuneration for key management personnel	18,477,863.08	16,739,970.35

### XI. SHARE-BASED PAYMENTS

#### 1. Equity instruments

Category of grantees	Unit: RMB							
	Granted during the year		Exercised during the year		Unlocked during the year		Lapsed during the year	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Directors, senior management, core technical personnel and core business personnel of BBMG Jidong Cement Group Co., Ltd. and its holding subsidiaries	26,580,000.00	90,637,800.00	-	-	-	-	-	-
Total	26,580,000.00	90,637,800.00	-	-	-	-	-	-

# Notes to Financial Statements

For the year ended 31 December 2025

## XI. SHARE-BASED PAYMENTS (Continued)

### 2. Equity-settled share-based payments (Continued)

Equity-settled share-based payments objects

Unit: RMB

Equity-settled share-based payments objects	
Determination method of fair value of equity instruments as at the grant date	Calculated as the closing price of the restricted shares on the grant date minus the grant price of the restricted shares
Significant parameters on fair value of equity instruments as at the grant date	Closing price of the restricted shares on the grant date and the grant price of the restricted shares
Basis for determining quantity of exercisable equity instruments	At each balance sheet date during the vesting period, the Group estimates based on latest available subsequent information such as the change in the number of incentive participants who are entitled to exercise and the completion status of performance targets
Reasons for significant discrepancies between estimate for the year and the previous year	N/A
Accumulated amount of equity-settled share-based payments	5,306,140.28
Total expenses recognised for equity-settled share-based payments for the year	5,306,140.28

Pursuant to the approval at the 2025 second extraordinary general meeting of BBMG Jidong held on 4 June 2025 and the Resolution in relation to Granting Restricted Shares to Incentive Participants Under the 2025 Restricted Share Incentive Scheme passed at the sixteenth meeting of the tenth session of the board of directors convened on 4 June 2025, BBMG Jidong will implement a restricted share incentive scheme for directors, senior management, core technical personnel and core business personnel of BBMG Jidong and its holding subsidiaries by repurchasing A share ordinary shares from the secondary market. The number of restricted shares to be granted is 26,580,000 shares, and the grant price is RMB3.41 per share. The restricted shares granted to incentive participants under the incentive scheme will be subject to lock-up periods of 24 months, 36 months and 48 months from the date on which the registration of the corresponding relevant restricted shares are completed. Upon fulfillment of the specified performance vesting conditions, the release ratios will be 33%, 33% and 34% respectively. After the restrictions are released, BBMG Jidong will handle the release procedures for incentive participants who satisfy the release conditions, and the restricted shares held by incentive participants who fail to satisfy the release conditions will be repurchased and canceled by BBMG Jidong.

## Notes to Financial Statements

For the year ended 31 December 2025

### XI. SHARE-BASED PAYMENTS (Continued)

#### 3. Share-based payment expense for the year

Category of grantees	Unit: RMB	
	Equity-settled share-based payment expenses	Cash-settled share-based payment expenses
Directors, senior management, core technical personnel and core business personnel of BBMG Jidong Cement Group Co., Ltd. and its holding subsidiaries	5,306,140.28	-

### XII. COMMITMENTS AND CONTINGENCIES

#### 1. Important commitments

Items	Unit: RMB	
	31 December 2025	31 December 2024
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
<b>Total</b>	<b>8,331,558,407.01</b>	<b>3,922,215,688.92</b>

#### 2. Contingencies

Items		Unit: RMB	
		31 December 2025	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
<b>Total</b>		<b>2,994,177,759.96</b>	<b>6,541,952,018.45</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### **XII. COMMITMENTS AND CONTINGENCIES (Continued)**

#### **2. Contingencies (Continued)**

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

Note 2: As at 31 December 2025, Jidong Development Group Co., Ltd., 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. (南京鑄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 Group Co., Ltd. (金隅冀東水泥股份有限公司), 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. (鞍山冀東水泥有限責任公司), 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 Property Development Group Co., Ltd., a subsidiary of the Group, provided a secured guarantee for the bank loan projects of Beijing Yichang Real Estate Co., Ltd. (北京怡暢置業有限公司), amounting to RMB418,600,000.00. The guarantee will expire on 31 October 2030.

### **XIII. OTHER SIGNIFICANT MATTERS**

#### **1. Segment reporting**

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

The management manages the operating results of 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.

## Notes to Financial Statements

For the year ended 31 December 2025

### XIII. OTHER SIGNIFICANT MATTERS (Continued)

#### 1. Segment reporting (Continued)

2025

Unit: RMB

Items	Unallocated assets/liabilities/expenses of the headquarters				Total
	Modern green building materials	Property development and operation	expenses of the headquarters	Adjustments and elimination	
Revenue from external transactions	78,877,472,834.30	12,235,627,380.46	-	-	91,113,100,214.76
Revenue from intersegment transactions	788,392,499.87	222,833,703.55	-	(1,011,226,203.42)	-
Total	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 losses	80,280,780.94	(2,298,429.80)	-	-	77,982,351.14
Depreciation and amortisation	4,609,139,614.74	330,998,961.02	104,974,615.66	-	5,045,113,191.42
Total profits	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

**Notes to Financial Statements**

For the year ended 31 December 2025

**XIII. OTHER SIGNIFICANT MATTERS (Continued)****1. Segment reporting (Continued)**

2024

Unit: RMB

Items	Modern green building materials	Property development and operation	Unallocated assets/liabilities/expenses of the headquarters	Adjustments and elimination	Total
Revenue from external transactions	77,541,041,511.16	33,170,777,887.58	-	-	110,711,819,398.74
Revenue from intersegment transactions	1,109,558,690.31	249,292,294.26	-	(1,358,850,984.57)	-
Total	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 losses	204,770,730.80	17,474,136.49	-	-	222,244,867.29
Depreciation and amortisation	4,824,366,072.66	448,320,804.64	104,252,232.92	-	5,376,939,110.22
Total profits	(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

**Other information****Information on products and labour services**

Operating revenue by product/service is set out in Note V. 54.

## Notes to Financial Statements

For the year ended 31 December 2025

### XIII. OTHER SIGNIFICANT MATTERS (Continued)

#### 1. Segment reporting (Continued)

*Other information (Continued)*

*Geographic information (Continued)*

Region	Unit: RMB	
	2025	2024
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
Total	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*

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

*Information on top five customers and suppliers of bulk commodity trading business*

Customer Name	Unit: RMB	
	Sales revenue for 2025	As a percentage of revenue (%)
Shandong Anyuan Industrial Co., Ltd. (山東安元實業有限責任公司)	5,323,641,661.33	5.84
Shanghai Lewei International Trading Co., Ltd. (上海勒韋國際貿易有限公司)	4,208,887,893.84	4.62
Jiumei Supply Chain Management (Tianjin) Co., Ltd. (九煤供應鏈管理(天津)有限公司)	1,057,735,465.37	1.16
HUA YOU RESOURCES PTE. LTD	866,734,835.22	0.95
Tianjin Tonghua Trading Co., Ltd. (天津彤樺商貿有限公司)	707,896,997.71	0.78
Total	12,164,896,853.47	13.35

# Notes to Financial Statements

For the year ended 31 December 2025

## XIII. OTHER SIGNIFICANT MATTERS (Continued)

### 1. Segment reporting (Continued)

#### *Other information (Continued)*

*Information on top five customers and suppliers of bulk commodity trading business (Continued)*

Supplier Name	Purchase amount for 2025	Unit: RMB
		As a percentage of cost (%)
Tongling Nonferrous Metals Group Shanghai Investment and Trade Co., Ltd. (銅陵有色金屬集團上海投資貿易有限公司)	<b>6,258,083,744.99</b>	7.81
Jiangxi Copper (Shenzhen) International Investment Holding Co., Ltd. (江西銅業(深圳)國際投資控股有限公司)	<b>2,896,952,843.81</b>	3.61
Xiamen Xinde Co., Ltd. (廈門信達股份有限公司)	<b>2,418,632,551.97</b>	3.02
Jiangtong International (Singapore) PTE. LTD. (江銅國際新加坡有限公司)	<b>2,218,440,209.30</b>	2.77
ASHON INTERNATIONAL DMCC	<b>1,143,477,524.71</b>	1.43
<b>Total</b>	<b>14,935,586,874.78</b>	18.64

### 2. Remuneration for key management personnel

Directors' and supervisors' remuneration for the year, disclosed pursuant to the Listing Rules of the Hong Kong Stock Exchange and the Hong Kong Companies Ordinance, was as follows:

Items	Unit: RMB	
	2025	2024
Fees	<b>475,000.00</b>	600,000.00
Salaries, allowances and benefits in kind	<b>2,286,228.00</b>	969,400.00
Performance related bonuses	<b>5,335,953.02</b>	2,139,629.00
Pension scheme contributions	<b>659,583.36</b>	296,236.80
<b>Total</b>	<b>8,756,764.38</b>	4,005,265.80

Note: The remuneration for key management personnel for the year includes performance-based salary during the tenure.

## Notes to Financial Statements

For the year ended 31 December 2025

### XIII. OTHER SIGNIFICANT MATTERS (Continued)

#### 2. Remuneration for key management personnel (Continued)

##### (1) Independent non-executive directors

The fees paid to independent non-executive directors during the year are as follows:

Directors	Unit: RMB	
	2025	2024
Mr. Yu Fei	25,000.00	150,000.00
Mr. Liu Taigang	150,000.00	150,000.00
Mr. Hong Yongmiao	150,000.00	150,000.00
Mr. Tam Kin Fong	150,000.00	150,000.00
<b>Total</b>	<b>475,000.00</b>	<b>600,000.00</b>

##### (2) Executive directors, non-executive directors and supervisors

The remuneration details of each director and supervisor in 2025 are disclosed as follows:

Directors	Unit: RMB				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
<b>Executive directors</b>					
Mr. Jiang Yingwu	-	249,408.00	925,140.48	68,250.24	1,242,798.72
Mr. Gu Yu	-	249,408.00	320,719.57	68,250.24	638,377.81
Mr. Zheng Baojin	-	211,980.00	797,878.63	68,250.24	1,078,108.87
Mr. Jiang Changlu	-	141,432.00	722,890.57	45,331.20	909,653.77
<b>Total</b>	<b>-</b>	<b>852,228.00</b>	<b>2,766,629.25</b>	<b>250,081.92</b>	<b>3,868,939.17</b>
<b>Non-executive directors</b>					
Mr. Gu Tiemin	-	-	-	-	-
Ms. Hao Liwei	-	312,000.00	240,261.99	68,250.24	620,512.23
<b>Total</b>	<b>-</b>	<b>312,000.00</b>	<b>240,261.99</b>	<b>68,250.24</b>	<b>620,512.23</b>
<b>Supervisors</b>					
Mr. Gao Jinliang	-	204,000.00	426,960.00	68,250.24	699,210.24
Mr. Qiu Peng	-	300,000.00	601,761.78	68,250.24	970,012.02
Mr. Wang Guijiang	-	210,000.00	447,112.00	68,250.24	725,362.24
Mr. Gao Junhua	-	204,000.00	426,960.00	68,250.24	699,210.24
Ms. Yu Yuehua	-	-	-	-	-
Mr. Fan Qinghai	-	204,000.00	426,268.00	68,250.24	698,518.24
<b>Total</b>	<b>-</b>	<b>1,122,000.00</b>	<b>2,329,061.78</b>	<b>341,251.20</b>	<b>3,792,312.98</b>

**Notes to Financial Statements**

For the year ended 31 December 2025

**XIII. OTHER SIGNIFICANT MATTERS (Continued)****2. Remuneration for key management personnel (Continued)****(3) Five highest paid employees**

The remuneration details of the five highest paid employees for the year are as follows:

Items	Unit: RMB	
	2025	2024
Salaries, allowances and benefits in kind	<b>2,101,740.00</b>	1,763,300.00
Performance related bonuses	<b>4,906,010.45</b>	8,970,384.15
Pension scheme contributions	<b>321,392.16</b>	294,861.56
<b>Total</b>	<b>7,329,142.61</b>	11,028,545.71

The remuneration distribution of the non-director highest paid employees was as follows:

Remuneration amount of employees	2025	2024
Nil - HK\$500,000	-	-
HK\$500,000 - HK\$1,000,000	-	-
HK\$1,000,000 - HK\$1,500,000	1	-
Over HK\$1,500,000	4	5
<b>Total</b>	<b>5</b>	<b>5</b>

## Notes to Financial Statements

For the year ended 31 December 2025

### XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

#### 1. Other receivables

Items	Unit: RMB	
	31 December 2025	31 December 2024
Interests receivable	817,122,489.37	2,156,740,736.50
Dividends receivable	86,703,258.53	80,333,159.14
Amounts due from subsidiaries	68,043,442,996.28	64,219,692,715.20
Other current account	111,887,982.30	243,721,020.30
Subtotal	69,059,156,726.48	66,700,487,631.14
Less: Provision for bad debts of other receivables	14,484,347.27	14,492,366.62
Total	69,044,672,379.21	66,685,995,264.52

An aging analysis of other receivables is as follows:

Items	Unit: RMB	
	31 December 2025	31 December 2024
Within 1 year	28,579,016,789.00	21,884,393,715.24
1 to 2 years	8,620,713,954.93	16,269,912,705.99
2 to 3 years	6,421,009,635.17	1,298,932,104.02
3 to 4 years	1,136,580,394.41	7,187,608,090.20
4 to 5 years	5,858,932,997.44	7,956,072,849.66
Over 5 years	18,442,902,955.53	12,103,568,166.03
Subtotal	69,059,156,726.48	66,700,487,631.14
Less: Provision for bad debts of other receivables	14,484,347.27	14,492,366.62
Total	69,044,672,379.21	66,685,995,264.52

## Notes to Financial Statements

For the year ended 31 December 2025

**XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS  
(Continued)****1. Other receivables (Continued)**

The movements in provision for bad debts of other receivables measured based on the lifetime expected credit loss are as follows:

Unit: RMB

Items	Stage one	Stage two	Stage three	Total
	Expected credit loss for the next 12 months	Lifetime expected credit loss (Non credit-impaired)	Lifetime expected credit loss (Credit-impaired)	
Opening balance	-	-	14,492,366.62	14,492,366.62
Reversal for the year	-	-	(8,019.35)	(8,019.35)
Closing balance	-	-	14,484,347.27	14,484,347.27

As at 31 December 2025, the top five of other receivables were as follows:

Unit: RMB

Entity name	Name	Closing balance	Proportion		Aging
			Closing balance	n (%)	
First	Beijing BBMG Real Estate Development Group Co., Ltd	15,611,016,370.90	22.61	Amounts due from subsidiaries	Within 1 year, 1-2 years, 2-3 years
Second	Beijing Yucheng Real Estate Co., Ltd.	7,515,793,487.96	10.88	Amounts due from subsidiaries	Within 1 year, 1-2 years, 2-3 years, 3-4 years, 4-5 years, over 5 years
Third	Jidong Development Group Co., Ltd.	6,881,833,564.53	9.97	Amounts due from subsidiaries	Within 1 year
Fourth	Tianjin Jinyu Jinli Real Estate Development Co., Ltd.	4,009,981,379.42	5.81	Amounts due from subsidiaries	Within 1 year, 1-2 years, 4-5 years, over 5 years
Fifth	Beijing Yuxin Real Estate Development Co., Ltd. (北京隅新房地產開發有限公司)	3,779,598,402.89	5.47	Amounts due from subsidiaries	Within 1 year, 1-2 years
Total		37,798,223,205.70	54.74		

## Notes to Financial Statements

For the year ended 31 December 2025

### XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

#### 1. Other receivables (Continued)

As at 31 December 2024, the top five of other receivables were as follows:

Unit: RMB

Entity name	Name	Closing balance	Proportion (%)	Nature	Aging
First	Beijing BBMG Real Estate Development Group Co., Ltd	10,773,847,353.15	16.15	Amounts due from subsidiaries	1-2 years
Second	Beijing Yuxin Real Estate Development Co., Ltd. (北京隅新房地產開發有限公司)	6,386,192,679.16	9.57	Amounts due from subsidiaries	2-3 years, 4-5 years
Third	Beijing Yucheng Real Estate Co., Ltd.	6,375,084,792.03	9.56	Amounts due from subsidiaries	Within 1 year
Fourth	Jidong Development Group Co., Ltd.	5,731,986,888.05	8.59	Amounts due from subsidiaries	2-3 years, 3-4 years
Fifth	Tianjin Jinyu Jinli Real Estate Development Co., Ltd.	3,592,126,634.23	5.39	Amounts due from subsidiaries	2-3 years, over 5 years
Total		<u>32,859,238,346.62</u>	<u>49.26</u>		

#### 2. Other current assets

Unit: RMB

Items	31 December 2025	31 December 2024
Entrusted loans	<b>722,310,000.00</b>	722,310,000.00
Input tax deductible	<b>14,041,950.75</b>	5,778,929.83
Total	<b>736,351,950.75</b>	728,088,929.83

## Notes to Financial Statements

For the year ended 31 December 2025

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS  
(Continued)

## 3. Long-term equity investments

Cost method:

Unit: RMB

Companies	Opening balance	Increase/decrease for the year	Closing balance	Percentage of shareholding (%)	Percentage of voting right (%)	Cash dividends for the year
Beijing BBMG Real Estate Development Group Co., Ltd.	14,323,721,838.38	-	14,323,721,838.38	100.00	100.00	-
BBMG Jidong Cement Group Co., Ltd.	9,535,955,770.27	-	9,535,955,770.27	44.34	44.34	117,864,505.70
BBMG New Building Materials Industrialization Group Co., Ltd.	6,776,459,192.79	200,302,043.00	6,976,761,235.79	100.00	100.00	-
BBMG GEM Real Estate Development Co., Ltd.	6,165,138,411.45	-	6,165,138,411.45	100.00	100.00	-
Tianjin Building Materials Group (Holding) Co., Ltd.	6,098,120,595.40	-	6,098,120,595.40	83.21	83.21	-
Jidong Development Group Co., Ltd.	5,225,000,000.00	-	5,225,000,000.00	55.00	55.00	-
BBMG Investment Property Management Co., Ltd.	3,936,329,327.93	-	3,936,329,327.93	100.00	100.00	220,000,000.00
BBMG Finance Co., Ltd.	3,000,000,000.00	-	3,000,000,000.00	100.00	100.00	202,000,000.00
Beijing BBMG Innovation and Technology Incubator Co., Ltd.	1,700,000,048.47	-	1,700,000,048.47	100.00	100.00	-
Beijing BBMG Xingfa Science and Technology Co., Ltd.	1,421,740,918.29	-	1,421,740,918.29	95.70	95.70	-
Jinyu Concrete Group Co., Ltd.	1,419,515,156.27	-	1,419,515,156.27	55.00	55.00	-
Beijing BBMG Finance Lease Co., Ltd. (北京金隅融資租賃有限公司)	800,000,000.00	-	800,000,000.00	100.00	100.00	24,000,000.00
Beijing BBMG Tongda Fire-resistant Technology Co., Ltd.	537,421,261.73	-	537,421,261.73	100.00	100.00	5,000,000.00
Beijing Doors and Windows Co., Ltd.	430,370,700.00	-	430,370,700.00	100.00	100.00	8,000,000.00
BBMG Finance Lease Co., Ltd.	393,876,000.00	-	393,876,000.00	60.00	60.00	18,000,000.00
Beijing Woodworking Factory Co., Ltd.	342,001,954.50	-	342,001,954.50	100.00	100.00	36,000,000.00
BBMG Hong Kong Limited	288,057,387.91	-	288,057,387.91	100.00	100.00	12,000,000.00
Beijing Building Materials Academy of Sciences Research Co., Ltd. (北京建築材料科學研究總院有限公司)	246,317,784.68	-	246,317,784.68	100.00	100.00	-
Beijing BBMG Xinggang Technology Development Co., Ltd.	166,166,021.38	-	166,166,021.38	55.68	55.68	1,866,837.83
Beijing Jingcai Talent Development Center Co., Ltd. (北京京才人才開發中心有限公司)	141,480,261.00	-	141,480,261.00	100.00	100.00	-
Beijing Building Materials Testing Academy Co., Ltd.	68,139,760.78	-	68,139,760.78	39.43	39.43	2,440,983.00
Beijing Yanshui Asset Management Co., Ltd.	32,707,342.45	-	32,707,342.45	100.00	100.00	20,000,000.00
Beijing BBMG Intelligent Manufacturing Workshop Management Co., Ltd. (北京金隅營造工場管理有限公司)	1,000,000.00	(1,000,000.00)	-	-	-	26,198,102.74
Beijing BBMG Xisanqi Intelligent Manufacturing Workshop Management Co., Ltd. (北京金隅西三旗製造工場管理有限公司)	1,000,000.00	(1,000,000.00)	-	-	-	-
Total under cost method	63,050,519,733.68	198,302,043.00	63,248,821,776.68	-	-	693,370,429.27

## Notes to Financial Statements

For the year ended 31 December 2025

### XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

#### 3. Long-term equity investments (Continued)

*Equity method:*

Unit: RMB

Companies	Opening balance	Increase investment	Decrease investment	Investment profit or loss under equity method	Other changes in equity	Cash dividend declared	Provision for impairment	Carrying value at the end of the year
Joint venture								
STAR-USG Building Materials Co., Ltd.	63,875,126.51	-	-	8,956,386.85	-	-	-	72,831,513.36
Associates								
Easyhome New Retail Group Corporation Limited	2,283,820,505.23	-	-	(131,156,071.21)	(14,661,371.39)	-	-	2,138,003,062.63
CAMC BBMG Intelligent Manufacturing Workshop REIT	-	397,460,000.00	-	13,891,097.59	-	(26,020,400.00)	-	385,330,697.59
Beijing Innovation Industry Investment Co., Ltd.	253,982,993.36	-	-	6,735,978.77	2,528,524.09	(2,105,260.00)	-	261,142,236.22
Tangshan Conch Profiles Co., Ltd.	152,891,205.36	-	-	4,080,996.14	-	-	-	156,972,201.50
Toto Machinery (Beijing) Company Limited	152,344,457.61	-	-	(73,579,455.29)	-	-	-	78,765,002.32
Zehnder (China) Indoor Climate Co., Ltd.	68,437,800.98	-	-	(5,648,581.87)	-	-	-	62,789,219.11
OCV Reinforcements (Beijing) Co., Ltd.	87,102,135.17	-	-	1,054,207.16	-	(25,359,862.55)	-	62,796,479.78
Beijing Jingxi Ecological Cultural Tourism Investment Co., Ltd. (北京京西生態文旅投資有限公司)	4,714,639.02	-	-	(942,190.68)	-	-	-	3,772,448.34
Subtotal for associates	3,003,293,736.73	397,460,000.00	-	(185,564,019.39)	(12,132,847.30)	(53,485,522.55)	-	3,149,571,347.49
Total under equity method	3,067,168,863.24	397,460,000.00	-	(176,607,632.54)	(12,132,847.30)	(53,485,522.55)	-	3,222,402,860.85

## Notes to Financial Statements

For the year ended 31 December 2025

### XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

#### 4. Investment properties

Measured subsequently through fair value model:

Items	Unit: RMB	
	Buildings	
Opening balance	14,047,090,149.39	
Changes in fair value	335,501,699.03	
Closing balance	14,382,591,848.42	

All the above investment properties are located in the PRC, and leased out in form of operating leases.

As at 31 December 2025, there was no investment property for which the procedures for obtaining title certificates were incomplete.

#### 5. Operating revenue and cost

Items	Unit: RMB			
	2025		2024	
	Revenue	Cost	Revenue	Cost
Principal business	819,027,930.61	106,380,025.79	896,194,739.24	104,647,676.57
Other business	3,388,389.43	2,979,765.87	5,786,190.31	2,899,365.28
Total	822,416,320.04	109,359,791.66	901,980,929.55	107,547,041.85

#### 6. Investment gains

Items	Unit: RMB	
	2025	2024
Gains from long-term equity investments under cost methods	693,370,429.27	537,200,000.00
Investment gains from disposal of long-term equity investments	357,290,531.46	(23,007,215.87)
Investment gains from financial assets at fair value through profit or loss during the holding period	9,886,347.75	18,766,743.99
Gains from long-term equity investments under equity method	(176,607,632.54)	94,092,971.50
Others	-	23,161,833.31
Total	883,939,675.94	650,214,332.93

## Notes to Financial Statements

For the year ended 31 December 2025

### **XV. EVENTS AFTER BALANCE SHEET DATE**

As considered and approved at the 20th meeting of the seventh session of the Board of Directors held on 30 March 2026, the Group intended to distribute a cash dividend of RMB0.5 (including tax) per 10 shares to all shareholders based on the total share capital of 10,677,771,134 shares at the end of 2025, totaling RMB533,888,556.70.

## Supplementary Information to Financial Statements

For the year ended 31 December 2025

### 1. Breakdown of Non-recurring Profit and Loss Item

Items	Unit: RMB	
	Amount	
Profit or loss from disposal of non-current assets, including the part written off for provision for impairment on assets	2,003,035,625.89	
Government grants recognised through profit or loss for the current period (excluding those closely related to the Company's ordinary business operations, in line with national policies and entitled in accordance with established standard, and having a continuous impact on profit or loss)	522,349,012.32	
Profit or loss from change in fair value of financial assets and financial liabilities held by non-financial enterprises, as well as profit or losses from disposal of financial assets and financial liabilities, other than effective hedging business relating to the ordinary business operations of the Company	156,029,151.71	
Capital occupancy fee from non-financial enterprises recognized through profit or loss for the current period	35,827,477.25	
Reversal of provisions for impairment of receivables that are individually tested for impairment	78,658,329.94	
Profit or loss from debt restructuring	1,723,753.18	
Profit or loss from fair value change of investment properties measured subsequently through fair value mode	400,804,059.56	
Gains arising from investment costs for acquisition of the subsidiaries, associates and joint ventures by the enterprise being less than its share of fair value of identifiable net assets of the investee on acquisition	14,346,710.40	
Other non-operating income and expenses other than the above items	359,572,582.31	
Other profit or loss items falling within the definition of non-recurring profit or loss	273,343,223.52	
Impact of income tax	917,195,426.93	
Impact of minority interests (after tax)	349,519,454.22	
<b>Total</b>	<b>2,578,975,044.93</b>	

Note 1: The Group recognised items of non-recurring profit or loss in accordance with provisions under the "Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public - Non-recurring Profit or Loss (公開發行證券的公司信息披露解釋性公告第1號—非經常性損益)" (CSRC Announcement [2023] No. 65). Items listed as non-recurring profit or loss in the "Explanatory Announcement No.1 on Information Disclosure for Companies Offering Securities to the Public - Non-recurring Profit or Loss (公開發行證券的公司信息披露解釋性公告第1號—非經常性損益)" and categorised as items of recurring profit or loss are set out as below:

Items	Unit: RMB	
	Amount	Reason
Value-added tax refund income	292,362,627.74	In line with national policies and occurring on an ongoing basis
Gains from changes in fair value	58,022,613.25	Business within the operation scope of the finance company
Heating subsidies	5,362,500.00	In line with national policies and occurring on an ongoing basis
Gains from hedging instruments	4,216,322.19	Business within the operation scope

## Supplementary Information to Financial Statements

For the year ended 31 December 2025

### 2. Return on Net Assets and Earnings per Share

2025

Items	Weighted average return on net assets (%)	Earnings per share basic and diluted
Before deducting other equity instrument indicators: Net profit attributable to ordinary shareholders of the Company	(1.51)	(0.09)
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit and loss	(5.36)	(0.34)
After deducting other equity instrument indicators: Net profit attributable to ordinary shareholders of the Company	(4.73)	(0.19)
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit and loss	(10.88)	(0.43)

2024

Items	Weighted average return on net assets (%)	Earnings per share Basic and diluted
Before deducting other equity instrument indicators: Net profit attributable to ordinary shareholders of the Company	(0.75)	(0.05)
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit and loss	(3.88)	(0.27)
After deducting other equity instrument indicators: Net profit attributable to ordinary shareholders of the Company	(3.64)	(0.15)
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit and loss	(8.75)	(0.37)

In calculating the weighted average return on net assets and earnings per share excluding other equity instruments, the Company has excluded declared and provided dividends of perpetual bonds.

## Five Years Financial Summary

A summary of the results and of the results, assets, liabilities and minority interests of the Group for the last five financial years is set out below:

### RESULTS

	<b>2025</b>	2024	2023	2022	2021
	<b>RMB'000</b>	RMB'000	RMB'000	RMB'000	RMB'000
Operating Revenue	<b>91,113,100</b>	110,711,819	107,955,680	102,822,162	123,634,448
Net (Loss)/Profit	<b>(1,506,640)</b>	(1,534,209)	(1,287,407)	1,739,887	5,212,718
Net (Loss)/Profit Attributable to the Shareholders of the Parent Company	<b>(1,009,467)</b>	(555,162)	25,263	1,212,674	2,933,015
Dividend	<b>533,889</b>	533,889	266,944	715,411	1,110,488
Dividend Per Share	<b>RMB0.05</b>	RMB0.05	RMB0.025	RMB0.067	RMB0.104
Basic (Losses)/Earnings Per Share Attributable to the Shareholders of the Parent Company (Before Deducting Other Equity Instrument Indicators)	<b>RMB(0.090)</b>	RMB(0.050)	RMB0.002	RMB0.11	RMB0.27

### ASSETS, LIABILITIES AND MINORITY INTERESTS

	<b>31 December</b>	31 December	31 December	31 December	31 December
	<b>2025</b>	2024	2023	2022	2021
	<b>RMB'000</b>	RMB'000	RMB'000	RMB'000	RMB'000
Non-Current Assets	<b>129,568,978</b>	130,800,256	128,604,798	124,695,698	116,398,079
Current Assets	<b>134,049,980</b>	133,195,465	141,074,341	156,824,356	169,958,731
Total Assets	<b>263,618,958</b>	263,995,721	269,679,139	281,520,054	286,356,810
Current Liabilities	<b>91,782,638</b>	96,778,952	117,604,713	118,844,662	119,733,796
Non-Current Liabilities	<b>82,920,660</b>	75,099,448	57,710,055	67,779,454	71,089,208
Total Liabilities	<b>174,703,298</b>	171,878,400	175,314,768	186,624,116	190,823,004
Minority Interests	<b>17,891,406</b>	18,399,821	21,357,345	31,266,023	31,816,314
Equity Attributable to the Shareholders of the Parent Company	<b>71,024,254</b>	73,717,500	73,007,025	63,629,915	63,717,492

**北京金隅集团股份有限公司**  
**BBMG CORPORATION**

Tower D, Global Trade Center  
No. 36, North Third Ring Road East  
Dongcheng District, Beijing, China (100013)

<https://www.bbmj.com.cn>