北 京 金 隅 集 團 股 份 有 限 公 司

BBMG Corporation*

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

(Stock Code: 2009)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- Operating revenue of approximately RMB35,916.2 million, decreased by approximately RMB9,649.5 million or 21.2% from the interim period of 2025

- Gross profit margin from principal business of approximately 9.2%, decreased by approximately 1.4 percentage points from the interim period of 2025

- Net loss of approximately RMB3,022.7 million, increased by approximately RMB1,113.8 million or 58.4% as compared with net loss in the interim period of 2025

- Net loss attributable to shareholders of the parent company of approximately RMB2,171.9 million, increased by approximately RMB676.3 million or 45.2% as compared with net loss attributable to the shareholders of the parent company in the interim period of 2025

- Basic losses per share attributable to the shareholders of the parent company (after deducting other equity instrument indicators) of approximately RMB0.25, increased by approximately RMB0.06 or 31.6% as compared with basic losses per share (after deducting other equity instrument indicators) of approximately RMB0.19 in the interim period of 2025

- Basic losses per share attributable to the shareholders of the parent company (before deducting other equity instrument indicators) of approximately RMB0.20, increased by approximately RMB0.06 or 42.9% as compared with basic losses per share (before deducting other equity instrument indicators) of approximately RMB0.14 in the interim period of 2025

* *For identification purposes only*

The board of directors (the "**Board**") of BBMG Corporation (the "**Company**" or "**BBMG**") is pleased to announce the unaudited interim financial results and financial position of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**"), prepared in accordance with the China Accounting Standards for Business Enterprises, together with the comparative figures for the corresponding period of 2025. These interim financial results have been reviewed by the audit and risk committee of the Company (the "**Audit and Risk Committee**") and Deloitte Touche Tohmatsu Certified Public Accountants LLP, the auditor of the Company.

RESULTS OF OPERATIONS

During the Reporting Period, the Group recorded net losses attributable to shareholders of the parent company of approximately RMB2,171.9 million, increased by approximately RMB676.3 million or 45.2% as compared with net losses attributable to shareholders of the parent company of approximately RMB1,495.6 million over the corresponding period of last year; basic losses per share was approximately RMB0.25 (for the six months ended 30 June 2025: basic losses per share of approximately RMB0.19), representing a year-on-year increase of approximately RMB0.06 or 31.6%; total equity attributable to the shareholders of the parent company was approximately RMB66,810.3 million at the end of the Reporting Period, representing a decrease of approximately RMB4,214.0 million or 5.9% from the beginning of the Reporting Period.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend in respect of the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

UNAUDITED CONSOLIDATED INCOME STATEMENT

Unit: RMB

	Notes	**For the six months ended 30 June 2026 (Unaudited)**	For the six months ended 30 June 2025 (Unaudited)
Operating revenue	*3*	**35,916,177,533.87**	45,565,715,081.09
Less: Operating costs	*4*	**32,475,056,843.35**	40,610,242,298.51
Tax and surcharges		**603,251,647.61**	853,262,364.92
Selling expenses	*5*	**1,045,036,199.54**	1,136,308,505.74
Administrative expenses	*6*	**3,192,809,948.44**	3,423,568,609.45
Research and development expenses	*7*	**320,958,451.21**	356,665,451.80
Finance costs	*8*	**1,334,725,843.23**	1,457,741,352.50
Including: Interest expense		***1,340,880,798.99***	*1,526,470,301.26*
Interest income		***39,621,082.60***	*91,289,093.43*
Add: Other gains	*9*	**206,046,760.33**	310,744,508.35
Investment (losses)/gains	*10*	**(29,784,876.92)**	248,097,867.50
Including: Losses from investment in associates and joint ventures		***(79,255,841.80)***	*(91,260,867.36)*
Derecognition gains on financial assets measured at amortized cost		***580,892.08***	*23,173,416.70*
(Losses)/gains from changes of fair value	*11*	**(18,850,634.16)**	184,847,367.81
Credit impairment losses	*12*	**(41,569,568.07)**	(51,007,026.01)
Asset impairment gains/(losses)	*13*	**3,053,924.06**	(62,517,152.00)
Gains on disposal of assets	*14*	**181,700,532.74**	204,982,947.95
Operating losses		**(2,755,065,261.53)**	(1,436,924,988.23)
Add: Non-operating revenue	*3*	**123,281,238.50**	159,521,552.82
Less: Non-operating expenses	*4*	**30,681,308.11**	52,971,654.08
Total losses		**(2,662,465,331.14)**	(1,330,375,089.49)
Less: Income tax expenses	*15*	**360,246,763.36**	578,489,080.97
Net losses		**(3,022,712,094.50)**	(1,908,864,170.46)
Classified by continuing operations			
Net losses from continuing operations		**(3,022,712,094.50)**	(1,908,864,170.46)
Classified by attribution of ownership			
Net losses attributable to the shareholders of the parent company		**(2,171,914,414.74)**	(1,495,582,382.78)
Minority interests		**(850,797,679.76)**	(413,281,787.68)

UNAUDITED CONSOLIDATED INCOME STATEMENT (Continued)

Unit: RMB

	Note	**For the six months ended 30 June 2026 (Unaudited)**	For the six months ended 30 June 2025 (Unaudited)
Net other comprehensive income after tax		**(33,579,456.28)**	74,542,153.73
Net other comprehensive income after tax attributable to shareholders of the parent company		**(7,834,931.93)**	65,767,370.40
Other comprehensive income not allowed to be reclassified into profit or loss		**(37,339,227.81)**	(15,206,925.04)
Changes arising from re-measurement of defined benefit plans		**3,652,050.63**	(1,721,648.54)
Changes in fair value of investment in other equity instruments		**(40,991,278.44)**	(13,485,276.50)
Other comprehensive income to be reclassified into profit or loss		**29,504,295.88**	80,974,295.44
Other comprehensive income that may be reclassified into profit or loss under the equity method		**6,598,972.52**	8,268,973.26
Changes in fair value of other debt investments		**2,685,022.50**	–
Exchange differences on foreign currency translation		**(3,414,312.93)**	(10,634,378.73)
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		**23,634,613.79**	83,339,700.91
Net other comprehensive income after tax attributable to minority interests		**(25,744,524.35)**	8,774,783.33
Total comprehensive income		**(3,056,291,550.78)**	(1,834,322,016.73)
Including:			
Total comprehensive income attributable to the shareholders of the parent company		***(2,179,749,346.67)***	*(1,429,815,012.38)*
Total comprehensive income attributable to minority interests		***(876,542,204.11)***	*(404,507,004.35)*
Basic and diluted losses per share (RMB/share)	*16*		
After deducting other equity instrument indicators		**(0.25)**	(0.19)
Before deducting other equity instrument indicators		**(0.20)**	(0.14)

UNAUDITED CONSOLIDATED BALANCE SHEET

Unit: RMB

	Notes	**As at 30 June 2026 (Unaudited)**	As at 31 December 2025 (Audited)
Current Assets			
Cash and bank balances		**18,269,719,824.97**	16,224,112,174.45
Financial assets held for trading		**467,131,047.76**	970,596,554.47
Bills receivable	*18*	**469,332,979.52**	497,663,264.11
Accounts receivable	*19*	**11,471,618,044.01**	11,399,856,092.87
Receivables financing		**578,210,612.99**	850,433,443.17
Prepayments		**3,779,110,253.91**	3,248,897,713.60
Other receivables		**7,571,014,041.23**	7,526,941,670.00
Inventories	*20*	**84,163,680,517.23**	82,479,958,825.66
Contract assets		**545,498,616.94**	614,904,814.96
Non-current assets due within one year		**838,608,115.57**	1,722,372,285.64
Other current assets		**11,026,409,978.90**	8,514,243,262.79
Total current assets		**139,180,334,033.03**	134,049,980,101.72
Non-current assets			
Debt investments		**65,693,137.69**	30,534,002.82
Other debt investments		**609,197,470.37**	467,784,342.37
Long-term receivables		**1,279,924,296.87**	1,444,633,484.74
Long-term equity investments		**8,856,363,567.94**	8,956,983,997.42
Investment in other equity instruments		**897,861,742.46**	998,410,315.35
Other non-current financial assets		**1,652,356,499.89**	798,123,889.85
Investment properties		**48,498,358,040.61**	47,872,002,131.58
Fixed assets		**41,446,667,186.10**	42,222,283,377.14
Construction in progress		**1,795,352,710.89**	2,034,712,328.72
Right-of-use assets		**835,681,841.40**	887,121,459.33
Intangible assets		**16,182,680,297.63**	16,712,274,749.55
Goodwill		**2,830,149,265.40**	2,830,149,265.40
Long-term deferred expenditures		**2,122,480,683.94**	2,070,162,276.61
Deferred income tax assets		**1,519,087,908.98**	1,899,441,899.76
Other non-current assets		**375,032,835.08**	344,360,056.00
Total non-current assets		**128,966,887,485.25**	129,568,977,576.64
Total assets		**268,147,221,518.28**	263,618,957,678.36

UNAUDITED CONSOLIDATED BALANCE SHEET (Continued)
Unit: RMB

	Notes	**As at 30 June 2026 (Unaudited)**	As at 31 December 2025 (Audited)
Liabilities and equity attributable to shareholders			
Current liabilities			
Short-term loans	*21*	**28,354,714,601.61**	25,676,730,398.34
Bills payable	*22*	**5,177,849,690.74**	4,150,182,175.87
Accounts payable	*23*	**17,044,667,324.67**	16,573,021,864.84
Receipts in advance		**283,681,770.58**	318,616,077.79
Contract liabilities		**10,858,859,029.57**	7,075,184,375.04
Wages payable		**188,191,360.07**	298,609,978.78
Tax payable		**877,462,204.19**	881,053,789.84
Other payables		**7,641,327,186.62**	7,117,883,604.60
Non-current liabilities due within one year		**30,233,653,595.95**	25,253,636,923.72
Short-term financing bonds payable	*24*	**–**	1,000,644,383.56
Other current liabilities		**3,437,866,183.34**	3,437,074,628.40
Total current liabilities		**104,098,272,947.34**	91,782,638,200.78
Non-current liabilities			
Long-term loans	*25*	**57,003,404,392.45**	55,537,629,277.57
Bonds payable	*24*	**12,962,396,940.45**	16,158,542,279.88
Lease liabilities		**338,282,008.46**	431,305,371.38
Long-term payables		**484,795,842.07**	448,900,721.25
Long-term wages payable		**351,251,411.72**	363,692,973.72
Accrued liabilities		**471,178,803.54**	651,294,169.20
Deferred income		**756,510,564.50**	787,864,000.33
Deferred income tax liabilities		**6,650,883,045.26**	6,883,052,149.62
Other non-current liabilities		**1,657,254,953.02**	1,658,378,539.18
Total non-current liabilities		**80,675,957,961.47**	82,920,659,482.13
Total liabilities		**184,774,230,908.81**	174,703,297,682.91

UNAUDITED CONSOLIDATED BALANCE SHEET (Continued)
Unit: RMB

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Equity attributable to shareholders		
Share capital	**10,677,771,134.00**	10,677,771,134.00
Other equity instruments	**29,355,600,000.00**	30,238,550,000.00
Including: Perpetual bonds	**29,355,600,000.00**	*30,238,550,000.00*
Capital reserve	**4,911,022,041.21**	5,016,200,135.25
Other comprehensive income	**776,562,492.65**	784,397,424.58
Specific reserve	**23,977,909.65**	32,946,315.73
Surplus reserve	**3,136,562,941.30**	3,136,562,941.30
General risk reserve	**497,216,299.67**	497,216,299.67
Retained earnings	**17,431,576,160.11**	20,640,609,530.17
Total equity attributable to the shareholders of the parent company	**66,810,288,978.59**	71,024,253,780.70
Minority interests	**16,562,701,630.88**	17,891,406,214.75
Total equity attributable to shareholders	**83,372,990,609.47**	88,915,659,995.45
Total liabilities and equity attributable to shareholders	**268,147,221,518.28**	263,618,957,678.36

Notes:

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

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

The financial statements are prepared on a going concern basis.

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

The accounting policies adopted in the preparation of financial statements for the six months ended 30 June 2026 are consistent with those described in the annual financial statements for the year ended 31 December 2025.

2. OPERATING SEGMENT INFORMATION

Operating segments

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

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

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

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

For the six months ended 30 June 2026 (Unaudited)

Unit: RMB

	Modern green building materials	Property development and operation	Unallocated assets/ liabilities/expenses of the headquarters	Adjustments and eliminations	Total
Revenue from external transactions	32,881,467,076.00	3,034,710,457.87	–	–	35,916,177,533.87
Revenue from inter-segment transactions	363,717,147.18	46,881,485.37	–	(410,598,632.55)	–
	33,245,184,223.18	3,081,591,943.24	–	(410,598,632.55)	35,916,177,533.87
Gains/(losses) on investment in joint ventures and associates	17,145,188.24	(96,401,030.04)	–	–	(79,255,841.80)
Asset impairment gains/(losses)	3,451,835.07	(397,911.01)	–	–	3,053,924.06
Credit impairment gains/(losses)	(60,678,708.39)	19,109,140.32	–	–	(41,569,568.07)
Depreciation and amortisation costs	2,048,142,940.08	203,702,919.61	47,911,529.04	–	2,299,757,388.73
Total losses	(1,453,741,881.48)	(930,710,935.49)	(246,151,476.97)	(31,861,037.20)	(2,662,465,331.14)
Income tax expense	184,458,739.50	245,291,152.40	(61,537,869.24)	(7,965,259.30)	360,246,763.36
Total assets	128,181,565,091.01	173,575,073,634.85	124,559,982.43	(33,733,977,190.01)	268,147,221,518.28
Total liabilities	86,562,467,849.30	104,093,067,449.62	29,081,260,958.90	(34,962,565,349.01)	184,774,230,908.81
Long-term equity investment in joint ventures and associates	1,575,384,847.96	7,280,978,719.98	–	–	8,856,363,567.94
Increase in other non-current assets, excluding long-term equity investments	1,387,750,996.07	317,990,081.89	–	–	1,705,741,077.96

For the six months ended 30 June 2025 (Unaudited)

Unit: RMB

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

Geographical information

	For the six months ended 30 June 2026 *RMB* **(Unaudited)**	For the six months ended 30 June 2025 *RMB* (Unaudited)
Operating revenue		
Asia	**35,907,367,658.34**	45,557,393,152.19
Africa	**8,809,875.53**	8,321,928.90
	35,916,177,533.87	45,565,715,081.09

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

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

Information about major customers

From January to June 2026 and from January to June 2025, no sales revenue from any one single customer of the Group accounted for more than 10% of the Group's operating revenue.

3. OPERATING REVENUE AND NON-OPERATING REVENUE

Unit: RMB

Operating revenue is presented as follows:

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Operating revenue from principal business	**35,630,487,508.67**	45,220,417,862.22
Operating revenue from other business	**285,690,025.20**	345,297,218.87
	35,916,177,533.87	45,565,715,081.09

Operating revenue is presented as follows:

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Revenue from contracts with customers	**34,958,839,214.34**	44,453,324,933.08
Rental income	**844,862,863.72**	1,003,228,447.48
Including: Rental income from investment properties	***648,681,199.71***	*849,337,373.52*
Other rental income	***196,181,664.01***	*153,891,073.96*
Interest income	**112,475,455.81**	109,161,700.53
	35,916,177,533.87	45,565,715,081.09

The disaggregated operating revenue is as follows:

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Types of goods		
Sale of products	**14,520,115,942.39**	14,437,594,170.88
Sale of properties	**1,416,907,945.62**	3,498,246,475.46
Income from decoration	**757,347,185.28**	1,203,574,911.84
Rental income	**844,862,863.72**	1,003,228,447.48
Property management	**636,628,588.37**	603,538,018.43
Treatment of solid wastes	**474,414,110.58**	364,803,431.16
Hotel operation	**220,026,713.10**	228,092,197.86
Bulk commodity trade	**16,149,176,572.03**	22,704,631,671.47
Logistics and transportation	**432,501,058.64**	1,071,831,239.23
Interest income	**112,475,455.81**	109,161,700.53
Others	**351,721,098.33**	341,012,816.75
Total	**35,916,177,533.87**	45,565,715,081.09

Time of transfer of goods	**For the six months ended 30 June 2026 (Unaudited)**	For the six months ended 30 June 2025 (Unaudited)
At a point in time	**32,870,422,617.01**	42,053,316,373.79
Over time	**3,045,754,916.86**	3,512,398,707.30
	35,916,177,533.87	45,565,715,081.09

Non-operating revenue is presented as follows:

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Unpayable amounts	**40,618,658.19**	42,830,346.59
Gains on retirement of non-current assets	**15,381,735.59**	9,990,337.97
Net income from fines	**11,248,055.26**	18,432,342.28
Relocation compensation/government grants	**945,632.39**	1,205,647.98
Others	**55,087,157.07**	87,062,878.00
	123,281,238.50	159,521,552.82

4. OPERATING COSTS AND NON-OPERATING EXPENSES

Unit: RMB

Operating costs are presented as follows:

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Operating costs for principal business	**32,370,384,327.83**	40,447,547,583.18
Operating costs for other business	**104,672,515.52**	162,694,715.33
	32,475,056,843.35	40,610,242,298.51

The disaggregated operating costs are as follows:

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Types of goods		
Sale of products	**12,748,175,154.23**	11,515,884,273.02
Sale of properties	**1,458,731,644.71**	3,246,722,958.64
Income from decoration	**558,241,681.43**	816,592,744.64
Rental income	**46,428,778.64**	103,859,625.40
Property management	**494,725,694.95**	461,450,156.90
Treatment of solid wastes	**346,414,915.83**	264,106,171.75
Hotel operation	**140,658,260.80**	140,731,290.77
Bulk commodity trade	**16,093,298,393.48**	22,621,658,548.06
Logistics and transportation	**419,177,262.64**	1,098,539,432.62
Others	**169,205,056.64**	340,697,096.71
Total	**32,475,056,843.35**	40,610,242,298.51

Time of transfer of goods	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
At a point in time	**30,888,587,511.70**	38,823,502,309.05
Over time	**1,586,469,331.65**	1,786,739,989.46
	32,475,056,843.35	40,610,242,298.51

Non-operating expenses are presented as follows:

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Losses on retirement of non-current assets	**16,318,933.48**	6,615,995.79
Including: Losses on retirement of fixed assets	***16,318,933.48***	*6,615,995.79*
Expenses on compensation, penalties and fines	**7,537,467.17**	29,702,149.15
Other expenses	**6,824,907.46**	16,653,509.14
	30,681,308.11	52,971,654.08

5. SELLING EXPENSES

Unit: RMB

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Employee remuneration	**502,529,148.71**	547,873,663.07
Agency intermediary fee	**189,687,385.16**	196,742,247.43
Office expenses	**173,584,214.55**	174,614,737.10
Advertisement fee	**125,787,188.79**	128,359,401.99
Lease fee	**24,044,307.16**	49,046,652.56
Transportation and travel expenses	**12,322,544.25**	20,812,323.21
Others	**17,081,410.92**	18,859,480.38
	1,045,036,199.54	1,136,308,505.74

6. ADMINISTRATIVE EXPENSES

Unit: RMB

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Employee remuneration	**1,536,086,474.22**	1,654,327,126.67
Office expenses	**513,204,535.76**	513,547,095.57
Loss on shut down	**357,359,105.21**	418,310,495.43
Intermediary service fees	**102,549,740.49**	115,981,597.76
Lease fees	**73,588,817.60**	90,535,597.39
Sewage and afforestation fees	**14,609,713.56**	19,076,523.36
Others	**595,411,561.60**	611,790,173.27
	3,192,809,948.44	3,423,568,609.45

7. RESEARCH AND DEVELOPMENT EXPENSES

Unit: RMB

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Employee remunerations	**183,887,385.63**	201,499,531.40
Material and equipment cost	**65,752,285.97**	76,021,757.45
Others	**71,318,779.61**	79,144,162.95
	320,958,451.21	356,665,451.80

8. FINANCE COSTS

Unit: RMB

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Interest expenses	**1,561,181,556.53**	1,908,694,741.87
Less: Interest income	**(39,621,082.60)**	(91,289,093.43)
Less: Amount of interest capitalized	**(220,300,757.54)**	(382,224,440.61)
Exchange gains	**6,083,977.00**	(6,166,317.88)
Handling charges	**13,400,533.78**	15,697,298.55
Others	**13,981,616.06**	13,029,164.00
	1,334,725,843.23	1,457,741,352.50

Note: From January to June 2026, the amount of capitalised borrowing costs has been included in construction in progress of RMB3,450,398.98 (from January to June 2025: RMB2,315,186.80) and development costs of properties of RMB216,850,358.56 (from January to June 2025: RMB379,909,253.81).

9. OTHER GAINS

Unit: RMB

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)	Related to assets/gains
Refunds of VAT	**75,696,537.30**	89,898,859.96	Related to gains
Income from other subsidies	**127,637,823.03**	216,969,348.39	Related to gains
Grants on sale of heat	**2,712,400.00**	3,876,300.00	Related to assets/gains
	206,046,760.33	310,744,508.35	

10. INVESTMENT (LOSSES)/GAINS

Unit: RMB

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Interest income from financial assets during the holding period	**35,007,928.82**	26,451,839.88
Investment gains from other non-current financial assets during the holding period	**9,671,800.49**	3,271,738.41
Dividend income from investment in other equity instruments during the holding period	**6,658,251.87**	6,628,782.33
Investment gains from disposal of financial assets	**580,892.08**	23,173,416.70
Losses from long-term equity investments under equity method	**(79,255,841.80)**	(91,260,867.36)
Investment gains from disposal of long-term equity investments	**–**	273,339,396.60
Others	**(2,447,908.38)**	6,493,560.94
	(29,784,876.92)	248,097,867.50

11. (LOSSES)/GAINS FROM CHANGES OF FAIR VALUE

Unit: RMB

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Investment properties measured at fair value	**(59,138,663.01)**	203,080,134.47
Hedging business	**557,419.92**	368,491.44
Financial assets at fair value through profit or loss	**39,730,608.93**	(18,601,258.10)
	(18,850,634.16)	184,847,367.81

12. CREDIT IMPAIRMENT LOSSES

Unit: RMB

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Reversal of bad debt of other receivables	**12,208,543.51**	2,700,628.14
Reversal of/(losses on) bad debt of bills receivable	**3,063,922.35**	(109,192.21)
Reversal of/(losses on) bad debt of long-term receivables	**1,837,384.29**	(1,963,780.04)
Losses on bad debt of accounts receivable	**(58,679,418.22)**	(51,634,681.90)
	(41,569,568.07)	(51,007,026.01)

13. ASSET IMPAIRMENT GAINS/(LOSSES)

Unit: RMB

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Losses on decline in value of inventory	**(1,430,083.82)**	(41,124,077.28)
Reversal of impairment of contract assets	**4,438,840.97**	4,186,499.95
Reversal of/(losses on) impairment of prepayments	**45,166.91**	(3,336,317.68)
Losses on impairment of fixed assets	**–**	(22,243,256.99)
	3,053,924.06	(62,517,152.00)

14. GAINS ON DISPOSAL OF ASSETS

Unit: RMB

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Gains on disposal of intangible assets	**165,823,729.37**	145,607,230.38
Gains on disposal of fixed assets	**13,601,531.96**	52,650,533.83
Others	**2,275,271.41**	6,725,183.74
	181,700,532.74	204,982,947.95

15. INCOME TAX EXPENSES

Unit: RMB

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Current income tax expenses	**196,541,901.14**	(295,441,645.30)
Deferred income tax expenses	**163,704,862.22**	873,930,726.27
	360,246,763.36	578,489,080.97

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

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Total losses	**(2,662,465,331.14)**	(1,330,375,089.49)
Income tax expense at the statutory tax rate	**(665,616,332.79)**	(332,593,772.37)
Effect of different tax rates of subsidiaries	**595,177.96**	(4,278,253.54)
Effect of adjustments on the income tax of previous periods	**9,648,983.64**	9,782,540.83
Profits and losses attributable to joint ventures and associates	**19,813,960.45**	22,815,216.84
Effect of income not subject to tax	**(6,586,125.18)**	(6,367,196.98)
Effect of non-deductible costs, expenses and losses	**6,417,606.46**	7,760,579.92
Effect of deductible temporary difference or deductible losses for which deferred income tax assets are not recognized in the current period	**904,549,140.30**	881,369,966.27
Reversal of deductible losses on deferred income tax assets previously recognized	**91,424,352.52**	–
Income tax expense at the effective tax rate of the Group	**360,246,763.36**	578,489,080.97

16. LOSSES PER SHARE

The calculation of losses per share is as follows:

Unit: RMB

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Losses		
Net losses for the period attributable to ordinary shareholders of the Company	**(2,171,914,414.74)**	(1,495,582,382.78)
Less: Interests on other equity instrument	**503,230,398.62**	527,035,424.65
Shares		
Weighted average number of outstanding ordinary shares of the Company	**10,677,771,134.00**	10,677,771,134.00
Basic losses per share – continuing operations	**(0.25)**	(0.19)

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

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

17. INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend in respect of the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

18. BILLS RECEIVABLE

Unit: RMB

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Commercial acceptance bills	**452,753,543.27**	479,113,947.43
Bank acceptance bills	**26,157,660.32**	31,191,463.10
Less: Provision for bad debts of bills receivable	**9,578,224.07**	12,642,146.42
	469,332,979.52	497,663,264.11

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

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Balance at the beginning of the period/year	**12,642,146.42**	19,946,374.12
Provision for the period/year	**8,961,924.34**	12,642,146.42
Reversal for the period/year	**(12,025,846.69)**	(19,946,374.12)
Balance at the end of the period/year	**9,578,224.07**	12,642,146.42

19. ACCOUNTS RECEIVABLE

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

Unit: RMB

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Within 1 year	**9,455,691,265.59**	9,337,959,200.85
1 to 2 years	**1,732,426,538.52**	1,728,637,957.64
2 to 3 years	**703,559,789.46**	783,390,054.07
3 to 4 years	**364,376,686.99**	275,111,181.52
4 to 5 years	**220,734,509.39**	253,973,781.21
Over 5 years	**1,615,088,311.06**	1,582,742,988.48
	14,091,877,101.01	13,961,815,163.77
Less: Provision for bad debts of accounts receivable	**2,620,259,057.00**	2,561,959,070.90
	11,471,618,044.01	11,399,856,092.87

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

Unit: RMB

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Balance at the beginning of the period/year	**2,561,959,070.90**	2,666,635,696.36
Provision for the period/year	**97,010,227.64**	182,829,267.44
Reversal for the period/year	**(38,330,809.42)**	(263,427,227.40)
Write-off for the period/year	**(379,432.12)**	(5,239,371.77)
Business combinations not under common control	**–**	899,750.87
Other transfer out	**–**	(19,739,044.60)
Balance at the end of the period/year	**2,620,259,057.00**	2,561,959,070.90

	As at 30 June 2026				
	Balance of carrying amount		**Provision for bad debts**		
	Amount	**Proportion (%)**	**Amount**	**Provision proportion (%)**	**Carrying value**
Separate provision for bad debts	**1,756,425,396.48**	**12.46**	**510,954,250.01**	**29.09**	**1,245,471,146.47**
Provision for bad debts by credit risk characteristics group	**12,335,451,704.53**	**87.54**	**2,109,304,806.99**	**17.10**	**10,226,146,897.54**
	14,091,877,101.01	**100.00**	**2,620,259,057.00**	**18.59**	**11,471,618,044.01**

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

20. INVENTORIES

Unit: RMB

	30 June 2026		
	Balance of carrying amount	**Provision for decline in value/ provision for impairment**	**Carrying value**
Raw materials	**2,210,634,416.07**	**16,015,652.73**	**2,194,618,763.34**
Items in production	**1,771,376,615.42**	**16,126,973.38**	**1,755,249,642.04**
Finished goods	**7,651,657,327.85**	**263,811,613.30**	**7,387,845,714.55**
Development costs	**37,618,850,810.01**	**865,621,861.83**	**36,753,228,948.18**
Products under development	**38,087,886,793.96**	**2,062,151,540.22**	**36,025,735,253.74**
Contract performance cost	**47,002,195.38**	**–**	**47,002,195.38**
Total	**87,387,408,158.69**	**3,223,727,641.46**	**84,163,680,517.23**

	31 December 2025		
	Balance of carrying amount	Provision for decline in value/ provision for 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

The amortization amount recognized for contract performance costs during the period is RMB775,469,756.64. The carrying value at the end of the period is presented in inventory based on liquidity.

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

30 June 2026

	Balance at the beginning of the period	Provision for the period	Decrease during the period/others			Balance at the end of the year
			Reversal	Write-off	Others	
Raw materials	16,310,074.41	43,193.61	–	(337,615.29)	–	16,015,652.73
Items in production	16,334,069.54	–	–	(207,096.16)	–	16,126,973.38
Finished goods	301,689,746.38	656,412.63	–	(38,534,545.71)	–	263,811,613.30
Development costs	865,621,861.83	–	–	–	–	865,621,861.83
Products under development	2,226,617,832.32	730,477.58	–	(157,551,833.54)	(7,644,936.14)	2,062,151,540.22
Total	3,426,573,584.48	1,430,083.82	–	(196,631,090.70)	(7,644,936.14)	3,223,727,641.46

31 December 2025

	Balance at the beginning of the period	Provision for the year	Decrease during the period			Balance at the end of the period
			Reversal	Write-off	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)	–	–
Total	3,112,965,071.30	841,672,821.77	(80,887,207.90)	(441,096,764.89)	(6,080,335.80)	3,426,573,584.48

As of 30 June 2026, the Group's certain products under development were changed in use and reclassified from inventories to investment properties, with the related provision for decline in value of inventories amounting to RMB7,644,936.14 being transferred out.

As at 30 June 2026, the balance of development costs included the capitalised borrowing costs of RMB2,269,515,311.45 (31 December 2025: RMB2,343,003,991.24). The capitalised borrowing costs amounted to RMB216,850,358.56 for the period from January to June 2026 (from January to June 2025: RMB379,909,253.81), and the rate of interest capitalisation was 2.65% (from January to June 2025: 2.79%).

21. SHORT-TERM LOANS

Unit: RMB

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Credit loans	**26,272,314,601.61**	23,585,719,685.30
Guaranteed loans *(Note)*	**1,837,400,000.00**	2,034,900,000.00
Mortgaged loans	**230,000,000.00**	30,000,000.00
Pledged loans	**15,000,000.00**	26,110,713.04
	28,354,714,601.61	25,676,730,398.34

Note: As at 30 June 2026 and 31 December 2025, the guaranteed loans were guaranteed by entities within the Group.

All the short-term loans would be due within one year. As at 30 June 2026 and 31 December 2025, the Group had no outstanding loans that were due.

22. BILLS PAYABLE

Unit: RMB

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Bank acceptance bills	**3,417,228,287.71**	3,126,581,038.47
Commercial acceptance bills	**1,760,621,403.03**	1,023,601,137.40
	5,177,849,690.74	4,150,182,175.87

As at 30 June 2026 and 31 December 2025, the Group had no due and outstanding bills payable.

23. 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:

Unit: RMB

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Within 1 year (inclusive of 1 year)	**11,378,324,301.81**	11,428,369,996.36
1 to 2 years (inclusive of 2 years)	**3,539,947,136.66**	2,615,193,764.48
2 to 3 years (inclusive of 3 years)	**716,160,384.43**	1,175,820,493.30
Over 3 years	**1,410,235,501.77**	1,353,637,610.70
	17,044,667,324.67	16,573,021,864.84

24. SHORT-TERM FINANCING BONDS PAYABLE AND BONDS PAYABLE

Unit: RMB

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Short-term financing bonds payable	**–**	1,000,644,383.56
Corporate bonds	**13,859,624,178.31**	14,601,734,490.65
Medium-term notes	**8,093,857,560.83**	7,103,525,616.48
Total	**21,953,481,739.14**	21,705,260,107.13
Less: Bonds payable due within one year	**8,991,084,798.69**	5,546,717,827.25
Non-current portion	**12,962,396,940.45**	16,158,542,279.88
Analysis of maturity of bonds payable:		
Within 1 year (inclusive of 1 year)	**8,991,084,798.69**	5,546,717,827.25
1 to 2 years (inclusive of 2 years)	**2,966,234,603.12**	3,198,266,163.05
2 to 5 years (inclusive of 5 years)	**8,998,182,719.25**	10,462,420,471.35
Over 5 years	**997,979,618.08**	2,497,855,645.48
	21,953,481,739.14	21,705,260,107.13

25. LONG-TERM LOANS

Unit: RMB

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Credit loans	**64,225,050,213.30**	62,483,674,597.35
Guaranteed loans *(Note)*	**8,996,521,165.08**	7,650,192,035.67
Mortgaged loans	**4,698,910,598.91**	4,643,512,777.19
Pledged loans	**–**	250,000,000.00
Subtotal	**77,920,481,977.29**	75,027,379,410.21
Less: Long-term loans due within one year	**20,917,077,584.84**	19,489,750,132.64
Total	**57,003,404,392.45**	55,537,629,277.57

Note: As at 30 June 2026 and 31 December 2025, the guaranteed loans of the Group were guaranteed by entities within the Group.

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

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Within 1 year	**20,917,077,584.84**	19,489,750,132.64
1 to 2 years	**21,867,398,086.25**	23,061,207,284.99
2 to 5 years	**31,611,570,354.55**	28,669,455,942.30
Over 5 years	**3,524,435,951.65**	3,806,966,050.28
	77,920,481,977.29	75,027,379,410.21

As at 30 June 2026, the interest rates of the above loans were 2.13%-4.90% (as at 31 December 2025: 2.00%-5.65%) per annum.

26. NET CURRENT ASSETS

Unit: RMB

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Current assets	**139,180,334,033.03**	134,049,980,101.72
Less: current liabilities	**104,098,272,947.34**	91,782,638,200.78
Net current assets	**35,082,061,085.69**	42,267,341,900.94

27. TOTAL ASSETS LESS CURRENT LIABILITIES

Unit: RMB

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Total assets	**268,147,221,518.28**	263,618,957,678.36
Less: current liabilities	**104,098,272,947.34**	91,782,638,200.78
Total assets less current liabilities	**164,048,948,570.94**	171,836,319,477.58

CHAIRMAN'S STATEMENT

Dear Shareholders,

In the first half of 2026, facing dual pressures of the complex and severe market environment and the dampening effect on the two main businesses of building materials and real estate, the Company thoroughly implemented the work requirements of the "One High, Double Win, Three Coordination" (一高雙贏三統籌), adopted a series of measures to stabilize growth, prevented and mitigated various risks, strengthened scientific and technological innovation, and accelerated industrial transformation and upgrading.

REVIEW

In the first half of 2026, the Company remained focused on its goals to overcome difficulties, steadily advancing various key tasks; iteratively optimized the industrial layout, together with transformation, activating growth momentum; empowered the business through innovation, green development, and digital intelligence, accelerating the accumulation and formation of new quality drivers; and improved the basic management system, continuously enhancing corporate governance.

Modern green building materials segment: the cement business was continuously strengthened in foundation, tapped in potential, and reduced in cost, achieving cost reduction and efficiency enhancement of approximately RMB550 million in the first half of 2026. The strategic layout was continuously optimized. In the first half of 2026, the Company's mine resource reserves increased by 300 million tonnes, and through the approach of "new construction + asset-light operation", the Company added 13.95 million cubic meters of concrete production capacity, 5.6 million tonnes of aggregate production capacity and 300,000 tonnes of mortar production capacity. The Company deepened the construction of a unified big market, and steadily improved the capacity utilization rate and market control in core regions. The Company completed equity integration of the cement and concrete businesses, and continuously unleashed the advantages of integrated operation and industrial chain synergy. Integrated marketing and industrial chain synergy were deepened in the new materials business, with revenue from strategic customers increasing by 53% year-on-year. The Company's new material sector accelerated its leap. In the first half of 2026, the proportion of operating revenue from new material sector in the manufacturing sector rose to 25.9%.

Property segment: In terms of the property development business, the Company upheld the concept of refined cost management and control, and implemented the management and control requirements covering all employees, the entire process and all elements, with a cost reduction of approximately RMB200 million in total. The Company adhered to the principle of "ensuring delivery, accelerating sales and expediting collection", with Beijing Huaxi Yunjin basically selling out within 13 months after its launch. The Company deeply engaged in urban renewal and accelerated the revitalization of self-owned land, with the self-owned land coordination project in Haidian District progressing smoothly.

The commercial operation business remained stable, with new, expanded and renewed leases for office buildings, parks and commercial properties exceeding 100,000 square meters. In terms of the comprehensive service business, the "one-stop · ecological · full-cycle" BBMG "good services" system was further refined and entered the pilot and deduction stage. The Company's property management business successfully won its first bid for the national-level ministry and commission project "Yard 41" (41號院), and the Company successfully signed contract in relation to the property management service project of TCC Gongliang Building (台泥公亮大樓) in Hangzhou, the dual-platinum accredited landmark. The management areas of external properties increased by 260,000 square meters.

Science and technology service segment: In terms of the testing and certification business, the Company expanded its external market, achieving "zero" breakthroughs in carbon verification, service certification and green building material product certification for wind turbine products outside the Company's system. In terms of the characteristic park service, the Company continuously improved its internal capabilities. BBMG Intelligent Manufacturing Workshop (Keshi Park) was fully completed and accepted, and the BRICS Technology Manager Certification Center was established in Xingfa Science and Technology Park. New progress was made in innovation platform development, and the "Beijing Key Laboratory for Intelligent R&D and Application of Future Habitat and Creative Materials", led by the Company in its application, was successfully approved.

PROSPECT

From the perspective of macroeconomic situation, China's economy has strong resilience, great potential and sufficient vitality, and the long-term positive fundamentals remain unchanged. From the perspective of industry trends, policies such as increasing investment in infrastructure construction including the "Six Networks", advancing urban renewal campaign, urban village renovation and government-subsidized housing construction, and accelerating new industrialization, digitalization and green development will all bring new market opportunities to industries such as building materials and real estate. In terms of the building materials industry, supply-side structural reform continues to deepen, with outdated production capacity being phased out at an accelerated pace and industry concentration constantly increasing. Meanwhile, with the in-depth implementation of the "dual carbon" strategy, demand for green and low-carbon building materials, new wall materials and prefabricated building components continues to grow, opening up new tracks for industrial transformation and upgrading. In terms of the real estate industry, although the market is still in the phase of deep adjustment, the "market-driven + government-subsidized" dual-track system is being accelerated, with the construction of government-subsidized housing and sale-type subsidized housing picking up pace. Demand in areas such as urban renewal, revitalization of existing assets and "property service + life service" is growing steadily, and the real estate industry is making a smooth transition to a new development model. Meanwhile, the overseas building materials market is ushering in a window period of explosive growth, presenting significant opportunities for the Company's building materials products to expand globally.

In response to the above opportunities, the Company will leverage its full-chain hardcore strengths in material R&D, intelligent manufacturing, technology integration, project application, inspection and testing, and service operation to better implement "good houses" in urban renewal. By building a "good houses" product system with BBMG's characteristics and infusing "good materials" genes throughout the entire housing construction process, the Company will achieve a value leap from "material advantages" to "product advantages" and occupy a unique competitive niche.

In the second half of 2026, the Company will maintain unchanged goals, non-compromised standards and unwavering efforts, adopt extraordinary measures, and promote business operations to stabilize, improve and break through against the trend, ensuring the completion of all annual tasks and targets for 2026.

Modern green building materials segment: In terms of the cement business, the Company will comprehensively improve the level of lean operation and build a competitive advantage of "low cost + differentiation". The Company will accelerate the integrated development of the "cement+" industrial chain, extend the industrial layout of concrete and aggregate in advantageous regions, build an integrated operation system, and consolidate regional market dominance. In terms of the new materials business, the Company will accelerate the transformation and upgrade towards a comprehensive manufacturer and service provider of consumer building materials, and achieve incremental breakthroughs in emerging tracks, new regions and overseas markets.

Property segment: In terms of the property development business, the Company will dynamically optimize sales strategies, strengthen node control, promote rapid contract signing and payment collection for projects, and adopt multiple measures to advance inventory de-stocking and accelerate the implementation process of urban renewal. In terms of the commercial operation business, the Company will seize market opportunities and accelerate the reduction of vacant space in office buildings and parks; the Company will create characteristic products and services to comprehensively improve occupancy rates and operating efficiency in the hotel and resort business. In terms of the comprehensive service business, the Company will deepen the construction of the "good services" system, expand "property service + lifestyle service" scenarios in residential communities, and actively explore the creation of a second growth curve.

Science and technology service segment: The Company will expand and strengthen the brand of testing and certification, actively expand new business formats and models such as online testing, intelligent testing and export inspection. The Company will create the characteristic park service, and build a "laboratory-industry synergy" hub to accelerate the industrialization of innovation achievements. Leveraging the Group's industrial resource advantage, the Company will deeply explore high-quality supply channel, improve the logistics layout of "transformation from road haulage to rail-freight transport + green transportation", and expand value-added businesses such as warehouse supervision and multimodal transportation. The Company will specialize in talent service, strengthen the coordination of talent policies between the municipal and district level, and provide efficient and professional talent guarantee for the innovation development of the Group.

In the second half of 2026, the Company will coordinate the quality improvement of traditional industries, the cultivation of emerging industries, and internal and external synergy empowerment to stabilize the foundation of its main businesses, adhere to the direction of high-end, intelligent, green and integrated development, promote the "three-pronged strategy" of the new materials industry, green and low-carbon development, and digital intelligent transformation, cultivate and strengthen new drivers, and promote industrial transformation and upgrade.

MANAGEMENT DISCUSSION AND ANALYSIS

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

(I) Principal business and business model of the Company

1. Modern green building materials segment: The Company is the leader in building materials industry in China, the third largest cement industrial group in China, and one of the largest suppliers of green, environmentally-friendly, and energy-saving building materials in Beijing-Tianjin-Hebei region. The Company is also the leader of low-carbon, green, and environmentally-friendly development, energy saving and emission reduction, and circular economy in the domestic cement industry with strong scale advantage and market dominance within the region. With cement as its core product, the Company has formed a complete industrial chain of building materials that is compatible with upstream and downstream businesses, which covers concrete, wall body and insulation materials, prefabricated building system and parts and furniture and woods, as well as an interactive mechanism that includes products and services such as decoration, architectural design and prefabricated construction contract, creating a coordinated development pattern of the whole industrial chain.

   Building material segment: Currently, the production capacity of clinker amounted to approximately 91 million tonnes; the production capacity of cement amounted to approximately 180 million tonnes; the production capacity of ready-mixed concrete (including the leased capacity) amounted to approximately 87.91 million cubic meters while the production capacity of aggregates exceeded 100 million tonnes and the annual capacity for disposal of hazardous and solid wastes amounted to approximately 5.58 million tonnes (including construction waste). The building material products and construction installation services of the Company were broadly applied in the construction of key and popular projects such as Beijing's urban sub-center, Xiong'an New Area and the Winter Olympics Stadium and were extended to popular regions such as East China, Northwest China, Sichuan-Chongqing and South China, which fully demonstrated the strengths of BBMG's modern building materials business in brand, quality and industrial chain.

Equipment manufacturing and trading services business: The Company is capable of constructing and providing service for the whole industrial chain in terms of new dry process clinker 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, heavy castings with piece weight of 10-150 tonnes and precision castings 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 asset configuration and network layout of the supply chain, and continue to improve and strengthen the international trade and building materials trading and logistics business.

2. Property development and operation segment: The Company has committed to property development and construction for over 40 years with the capability for comprehensive development of property projects of multiple categories. It ranks in the forefront of the industry nationwide 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 property types. The Company has received various honors such as Top 100 China Real Estate Enterprises and China Top 100 Property Management Enterprises for consecutive years. It is an AAA-rated enterprise in both quality reputation and credit standing and has great influence and brand awareness across the industry.

   Property development business: The Company developed approximately 170 property projects with a total gross floor area over 30.0 million sq.m. At present, the Company has made its presence in 17 cities including Beijing, Shanghai, Tianjin, Chongqing, 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 Economic Circle".

   Property operation business: At present, the Company holds more than 2,778,400 sq.m. of investment properties such as high-end office buildings, commercial and industrial parks, of which approximately 725,000 sq.m. are grade B and above high-end investment properties in core areas in Beijing, and manages more than 22,840,000 sq.m. of properties. Its professional capabilities, brand awareness, occupancy rate and revenue have led the industry in Beijing and even the country for years.

(II) Description of major industries

1. *Cement Industry*

In the first half of 2026, the cement industry has been affected by the factors such as overall weakening of investment, continuous in-depth adjustment in the real estate sector, insufficient project funding and lack of new projects, making the unilateral downward trend of demand in national cement difficult to reverse. According to data from the National Bureau of Statistics of China, the production volume of cement in China reached 736 million tonnes in the first half of 2026, representing a year-on-year decrease of 8.0%.

In the first half of 2026, the industry experienced its traditional slack season in the first quarter, with weak market demand causing cement prices to fall under pressure; in the second quarter, due to the weaker-than-expected recovery of downstream demand, leading to a severe imbalance between supply and demand, and combined with a rebound in coal prices, cement prices continue to decline, dragging the industry into a predicament of the “concurrent drop in volume and price”.

2. *Property Development Industry*

In the first half of 2026, the overall real estate market continued to show signs of bottoming out. Since the second quarter of 2026, the market has experienced marginal improvement, and still shows a distinct structural feature of “core cities leading the recovery, and lower-tier cities continuing to face pressure”. The sales price of commercial residential properties in first-tier cities rose month-on-month for four consecutive months, and the area of commodity housing in China for sale decreased for four consecutive months.

According to the National Bureau of Statistics of China, from January to June 2026, the investment in real estate development in China was RMB3,807.4 billion, representing a year-on-year decrease of 18.0%, among which, the residential property investment was RMB2,930.0 billion, representing a decrease of 17.8%. The area of newly commenced construction of real estates was 232.39 million sq.m., representing a decrease of 23.4%, of which, the area of newly commenced construction of residential properties was 169.0 million sq.m., representing a decrease of 24.1%. The area of completed real estate was 172.21 million sq.m., representing a decrease of 23.7%, of which, the area of completed residential properties was 121.48 million sq.m., representing a decrease of 25.3%. From January to June 2026, the sales area of newly-built commodity housing was 401.40 million sq.m., representing a year-on-year decrease of 11.6%, of which, the sales area of residential properties decreased by 12.4%. The sales amount of newly-built commodity housing amounted to RMB3,794.5 billion, representing a decrease of 13.6%, of which, the sales amount of residential properties decreased by 13.7%. As at the end of June 2026, the area of commodity housing for sales was 763.15 million sq.m., representing a decrease of 0.9% year-on-year, of which, the area of commodity housing unsold for less than three years was 561.67 million sq.m., representing a decrease of 3.5%.

Summary of Financial Information

Unit: RMB'000

	For the six months ended 30 June		
	2026 (Unaudited)	2025 (Unaudited)	Change
Operating revenue	**35,916,178**	45,565,715	**-21.2%**
Operating revenue from principal business	**35,630,488**	45,220,418	**-21.2%**
Gross profit from principal business	**3,260,103**	4,772,870	**-31.7%**
Gross profit margin from principal business (%)	**9.2**	10.6	**a decrease of 1.4 percentage points**
Total loss	**(2,662,465)**	(1,330,375)	**-100.1%**
Net loss	**(3,022,712)**	(1,908,864)	**-58.4%**
Net loss attributable to the shareholders of the parent company	**(2,171,914)**	(1,495,582)	**-45.2%**
Basic losses per share attributable to the shareholders of the parent company (net of the interests of other equity instrument)	**RMB(0.25)**	RMB(0.19)	**-31.6%**

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)	Change
Cash and bank balances	**18,269,720**	16,224,112	**12.6%**
Current assets	**139,180,334**	134,049,980	**3.8%**
Current liabilities	**104,098,273**	91,782,638	**13.4%**
Net current assets	**35,082,061**	42,267,342	**-17.0%**
Non-current assets	**128,966,887**	129,568,978	**-0.5%**
Non-current liabilities	**80,675,958**	82,920,659	**-2.7%**
Total assets	**268,147,222**	263,618,958	**1.7%**
Equity attributable to the shareholders of the parent company	**66,810,289**	71,024,254	**-5.9%**
Debt ratio (total liabilities to total assets) (%)	**68.9**	66.3	**an increase of 2.6 percentage points**

Summary of Business Information

	For the six months ended 30 June 2026	2025	Change
Modern green building materials segment			
Aggregate sales volume of cement and clinker (in million tonnes)	**34.89**	37.38	**-6.7%**
Sales volume of ready-mixed concrete (in million cubic metres)	**6.43**	7.27	**-11.6%**
Property development and operation segment			
Booked gross-floor area ("**GFA**") (in thousand sq.m.)	**115.0**	263.6	**-56.4%**
Contracted sales GFA (in thousand sq.m.)	**224.1**	328.2	**-31.7%**
GFA of investment properties (in thousand sq.m.)	**2,778.4**	2,724.9#	**2.0%**

GFA of investment properties as of 31 December 2025

DISCUSSION AND ANALYSIS ON OPERATIONS

In the first half of 2026, the Company thoroughly implemented the work requirements of the "One High, Double Win, Three Coordination" (一高雙贏三統籌), and was committed to practical actions and tackling difficulties. The Company actively responded to the complex and severe market environment, confronted the dual pressures from the downturn of the two main businesses of building materials and real estate, and implemented a series of measures to stabilize growth, prevent and defuse various risks and promote transformation and upgrade. As a result, the economic operation moved forward under pressure.

During the Reporting Period, the Group recorded an operating revenue of approximately RMB35,916.2 million, of which operating revenue from its principal business amounted to approximately RMB35,630.5 million, representing a year-on-year decrease of approximately 21.2%; total loss amounted to approximately RMB2,662.5 million, representing an increase of approximately RMB1,332.1 million or 100.1% as compared with the same period of last year; net loss amounted to approximately RMB3,022.7 million, representing an increase of approximately RMB1,113.8 million or 58.4% as compared with the same period of last year; and net loss attributable to the parent company amounted to approximately RMB2,171.9 million, representing an increase of approximately RMB676.3 million or 45.2% as compared with the same period of last year.

(I) Modern green building materials segment

In the first half of 2026, the revenue from principal business amounted to approximately RMB33,058.7 million, representing a year-on-year decrease of approximately 18.4%; gross profit from principal business amounted to approximately RMB2,491.1 million, representing a year-on-year decrease of approximately 31.2%.

In terms of the cement business, the Company strengthened lean operation and launched a special action of "consolidating foundation and exploring potential to reduce cost, and implementing lean operation to improve efficiency". The production costs of cement decreased by RMB17 per tonne, representing a year-on-year decrease of 8.5%. The advantages of integrated operation and the synergy effectiveness of the industrial chain continuously released. The Company deepened the construction of the unified large market, optimized marketing channels, increased the efforts on promotion of modern material products, and steadily enhanced the utilisation rate of production capacity and market control power in core areas. The sales volume of cement and clinker amounted to 34.89 million tonnes (exclusive joint ventures and associates), representing a year-on-year decrease of 6.7%, of which the sales volume of cement amounted to 31.93 million tonnes. The aggregated gross profit margin of cement and clinker was 12.4%, representing a year-on-year decrease of 8.3 percentage points. The sales volume of concrete amounted to 6,430,000 cubic meter, representing a year-on-year decrease of 11.6%. The gross profit margin of concrete was 7.4%.

In terms of the modern materials business, the Company continued to improve the integrated marketing system and mechanism, and the three regional marketing centers in Beijing-Tianjin-Hebei, northwest China and east China collaborated to tackle challenges. The Company continued to deepen overseas layout, with overseas business recording a year-on-year growth, and proactively carried out a special action of improving quality and increasing efficiency. The Company recorded revenue from its principal business of approximately RMB6,200.00 million, representing a year-on-year decrease of approximately 7.2%, and the gross profit margin was approximately 14.1%, representing a year-on-year decrease of approximately 0.7 percentage point.

As of the date of this announcement, the Company participated in several private equity funds such as Beijing Jingguochuang Advantage Industry Fund (北京京國創優勢產業基金), Beijing Jingguoguan Equity Investment Fund (北京京國管股權投資基金) and Beijing Jinhaicheng Technology Innovation Investment Partnership (北京金海誠科創投資合夥企業). The accumulated subscription amount was approximately RMB981 million, which has been fully paid up. The aforesaid fund has been invested in multiple enterprises in next-generation of information technology, intelligent manufacturing, healthcare, energy and environmental protection, semiconductors, new materials, state-owned asset reform and other industries. Upon the equity penetration, the shareholding ratio of the Company is very low, and the Company does not participate in the operation, management and decision-making of underlying enterprises. Therefore, these investments do not have a material impact on the operating results of the Company during the Reporting Period.

(II) Property development and operation segment

In the first half of 2026, the Company recorded revenue from its principal business of approximately RMB2,942.9 million, representing a year-on-year decrease of approximately 43.7%, and the gross profit from its principal business was approximately RMB782.2 million, representing a year-on-year decrease of approximately 33.6%.

In terms of the property development business, the Company focused on "boosting sales, securing cash and seeking profit", grasping the market window period. The implementation of "One City, One Policy" facilitated the sales of Beijing Huaxi Yunjin (北京花溪雲錦), Yu · Haiyue (隅·海岄), Shanghai Gongyuan Dongxu (上海公園東序) and other projects, and the residential houses of Beijing Huaxi Yunjin (北京花溪雲錦) were basically sold out within 13 months after its launch. The sales area was 224,100 sq.m., representing a year-on-year decrease of approximately 31.7%. During the Reporting Period, the Company recorded business revenue of approximately RMB1,410.0 million, representing a year-on-year decrease of approximately 61.5%. The booked GFA was approximately 115,000 sq.m., representing a year-on-year decrease of approximately 56.4%. The total contracted sales amount was approximately RMB6,670.0 million, representing a year-on-year decrease of approximately 2.2%. The cash receipts amounted to approximately RMB7,920.0 million, representing a year-on-year increase of approximately 21.9%. As of 30 June 2026, the land reserve area of the Company on the equity basis was approximately 5,234,400 sq.m.

In the first half of 2026, the Company did not acquire land use right to state-owned construction land.

In terms of the property operation business, the Company adhered to multiple measures to accelerate the reduction of vacant space. The operational quality of the hotel and resort segment improved steadily, the operating efficiency of science and technology cultural park constantly increased, and the "one-stop · ecological · full-cycle" BBMG "good services" system was further improved. In the first half of 2026, the Company's property management business successfully won its first bid for a national-level ministry and commission project "Yard 41" (41號院), and the Company successfully signed contract in relation to the property management service project of TCC Gongliang Building (台泥公亮大樓) in Hangzhou, the dual-platinum accredited landmark. The management areas of external properties increased by 260,000 sq.m. As at 30 June 2026, the Company held 2,778,400 sq.m. of investment properties such as high-end office buildings, commercial and industrial parks, with a consolidated average occupancy rate of 76% (excluding newly launched projects). The grade B and above high-end investment properties held in core areas in Beijing totaled 725,000 sq.m., with a consolidated average occupancy rate of 71% and an average rental unit price of RMB7.4/sq.m./day.

RENTAL OPERATIONS OF THE MAJOR INVESTMENT PROPERTIES OF THE GROUP AS AT 30 JUNE 2026

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	4,000.5	7.9	77%	37,042	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	4,664.8	8.3	87%	33,084	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	1,468.0	7.2	78%	25,754	2058
Tengda Plaza	West Second Ring Road, Beijing	No. 169, Xizhimenwai Street, Haidian District, Beijing	Commercial	68.0	2,111.0	6.4	83%	31,044	2045
Jin Yu Building Tower A	West Second Ring Road, Beijing	No. 129, Xuanwumen West Street, Xicheng District, Beijing	Commercial	41.0	1,628.0	7.2	55%	39,707	2058
Jin Yu Building Tower B	West Second Ring Road, Beijing	No. 129, Xuanwumen West Street, Xicheng District, Beijing	Commercial	41.0	1,583.0	9.9	86%	38,610	2052
Jianda Building	East Second Ring Road, Beijing	No. 14, Dongtucheng Road, Chaoyang District, Beijing	Commercial	39.0	676.0	5.7	85%	17,333	Notes 2, 3
Yucheng Building	North Fourth Ring Road, Beijing	No. 27, North Fourth Ring Middle Road, Asian Sports Village Street, Chaoyang District, Beijing	Commercial	137.0	6,513.0	8.9	31%	47,540	2056
Phase 1 of Hi-tech Industrial Park	South Sixth Ring Road, Beijing	No. 3 Courtyard, Qingxiang North Road, Daxing District, Beijing	Commercial	122.0	1,113.0	2.2	91%	9,123	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	553.0	2.3	48%	5,475	2058
Phase 3 of Hi-tech Industrial Park	South Sixth Ring Road, Beijing	No. 3 Courtyard, Qingxiang North Road, Daxing District, Beijing	Commercial	48.0	377.0	1.9	100%	7,854	2058
Phase 2 of Intelligent Manufacturing Workshop	North Fifth Ring Road, Beijing	No. 27, Jiancaichengzhong Road, Xisanqi, Haidian District, Beijing	Commercial	45.0	394.8	5.1	100%	8,773	2045
Subtotal				948.0	25,082.1				
Other properties (urban area of Beijing, Tianjin, etc.)				1,830.4	23,416.3				
Total				2,778.4	48,498.4	3.3	76%	17,456	

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

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

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

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

1. *Principal business operations*

Unit: RMB million

	Revenue from principal business	Cost of sales from principal business	Gross profit margin from principal business (%)	Year-on-year increase or decrease in revenue from principal business (%)	Year-on– year increase or decrease in cost of sales from principal business (%)	Year-on– year increase or decrease in gross profit margin from principal business
Modern green building materials segment	33,058.7	30,567.6	7.5	-18.4	-17.1	Decrease of approximately 1.4 percentage points
Property development and operation segment	2,942.9	2,160.7	26.6	-43.7	-46.6	Increase of approximately 4.0 percentage points
Eliminations	(371.1)	(358.0)				
Total	35,630.5	32,370.4	9.2	-21.2	-20.0	Decrease of approximately 1.4 percentage points

2. *Gains from changes in fair value of investment properties*

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

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

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

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

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

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

During the Reporting Period, losses arising from changes in fair value of investment properties of the Group were approximately RMB59.1 million as compared with gains arising from changes in fair value of approximately RMB203.1 million of the same period of last year.

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

(1) Selling expenses were approximately RMB1,045.0 million, representing a year-on-year decrease of approximately RMB91.3 million or 8.0%.

(2) Administrative expenses were approximately RMB3,192.8 million, representing a year-on-year decrease of approximately RMB230.8 million or 6.7%.

(3) Other gains were approximately RMB206.0 million, representing a year-on-year decrease of approximately RMB104.7 million or 33.7%. Such decrease was mainly due to carrying forward of deferred income from relevant government subsidies in relation to relocation compensation in the same period of last year to other gains.

(4) Investment losses were approximately RMB29.8 million, as compared with investment gains of approximately RMB248.1 million of the same period of last year. Such change was mainly due to the recognition of investment gains from CAMC BBMG REIT for the same period of last year.

(5) Losses from changes in fair value were approximately RMB18.9 million as compared with gains from changes in fair value of approximately RMB184.8 million in the same period of last year. Such change was mainly due to the year-on-year decrease of the valuation of fair value of the investment properties during the Reporting Period.

(6) Asset impairment gains were approximately RMB3.1 million, as compared with asset impairment losses of approximately RMB62.5 million of the same period of last year. Such change was mainly due to the provision for decline in value of inventories of property projects for the same period of last year.

(7) Non-operating expenses were approximately RMB30.7 million, representing a year-on-year decrease of approximately RMB22.3 million or 42.1%. Such decrease was mainly due to the year-on-year decrease of expenses from penalties and fines of the Company during the Reporting Period.

4. *Cash flows*

In the first half of 2026, a net increase of approximately RMB1,904.7 million in cash and cash equivalents was recognised in the consolidated financial statements of the Group, of which net cash inflow from operating activities was approximately RMB2,677.6 million, as compared with cash outflow of approximately RMB1,537.8 million of the same period of last year, which was mainly due to the increase in new land reserves during the same period of last year, resulting in a significant net outflow from operating activities; net cash outflow from investing activities was approximately RMB2,058.9 million, representing a year-on-year decrease of approximately RMB593.3 million in outflow; net cash inflow generated from financing activities was approximately RMB1,297.7 million, representing a year-on-year decrease in cash inflows of approximately RMB4,164.3 million, which was mainly due to the year-on-year decrease in the issuance scale of bonds of the Company during the Reporting Period; and the effect of changes in exchange rate on cash and cash equivalents was approximately RMB11.7 million.

5. *Analysis on items 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 beginning of the Reporting Period	Percentage of amount at the beginning of the Reporting Period over total assets (%)	Change (%)	Explanations
Financial assets held for trading	467,131,047.76	0.17	970,596,554.47	0.37	-51.87	(1)
Receivables financing	578,210,612.99	0.22	850,433,443.17	0.32	-32.01	(2)
Non-current assets due within one year	838,608,115.57	0.31	1,722,372,285.64	0.65	-51.31	(3)
Debt investments	65,693,137.69	0.02	30,534,002.82	0.01	115.15	(4)
Other debt investments	609,197,470.37	0.23	467,784,342.37	0.18	30.23	(5)
Other non-current financial assets	1,652,356,499.89	0.62	798,123,889.85	0.30	107.03	(6)
Contract liabilities	10,858,859,029.57	4.05	7,075,184,375.04	2.68	53.48	(7)
Wages payable	188,191,360.07	0.07	298,609,978.78	0.11	-36.98	(8)
Short-term financing bonds payable	–	–	1,000,644,383.56	0.38	-100.00	(9)

Explanations:

(1) Financial assets held for trading: A decrease of approximately 51.87% from the beginning of the Reporting Period, mainly due to the decrease in investments in bond fund held for trading by the Company during the Reporting Period.

(2) Receivables financing: A decrease of approximately 32.01% from the beginning of the Reporting Period, mainly due to the increase in supply chain bills of the Company and the redemption of receivables financing held upon maturity during the Reporting Period.

(3) Non-current assets due within one year: A decrease of approximately 51.31% from the beginning of the Reporting Period, mainly due to the decrease in debt investment within one year of the Company during the Reporting Period as compared with the beginning of the Reporting Period.

(4) Debt investments: An increase of approximately 115.15% from the beginning of the Reporting Period, mainly due to purchase of trust-based debt investments by the Company during the Reporting Period.

(5) Other debt investments: An increase of approximately 30.23% from the beginning of the Reporting Period, mainly due to the increase in financial bonds investment by the Company during the Reporting Period.

(6) Other non-current financial assets: An increase of approximately 107.03% from the beginning of the Reporting Period, mainly due to the increase in investment in tier-2 capital bonds by the Company during the Reporting Period.

(7) Contract liabilities: An increase of approximately 53.48% from the beginning of the Reporting Period, mainly due to the increase in advances on pre-sale of properties of the Company during the Reporting Period.

(8) Wages payable: A decrease of approximately 36.98% from the beginning of the Reporting Period, mainly due to adjustment of human resource allocation by the Company during the Reporting Period.

(9) Short-term financing bonds payable: A decrease of 100% from the beginning of the Reporting Period, mainly due to repayment of short-term financing bonds payable falling due by the Company during the Reporting Period.

CORE COMPETITIVENESS ANALYSIS

The Company focused on serving the construction of "four centers" of Beijing, improved the level of "four services", practiced its core mission of "manufacturing good materials, building good houses, and creating a better life", and made dedicated efforts in the development of core areas of the capital in the new era, demonstrating the value of state-owned enterprises in the capital. The Company adhered to the two core businesses of "modern green building materials, and property development and operation", continued to strengthen and expand "large building materials" and "large real estate", and fostered and developed the science and technology services industry. The Company made phased progress in the C-side strategy. Combining connotative development with outward expansion, the Company managed effective integration of internal and external resources centering on industrial chain coordination. The Company aims to become an eco-oriented enterprise that promotes comprehensive and synergistic development across its industries.

The core competitiveness of the Company is detailed as follows:

(I) Competitive edge in coordinated development of industrial chain

Relying on the vertically integrated layout, the Company achieved synergy effects and value complementarity across multiple businesses, continuously strengthened the resilience of its industrial chain against risks, effectively countered cyclical industry headwinds, and built sustainable core competitive barriers. The Company thoroughly implemented the chain leader system working mechanism, coordinated vertical integration and horizontal collaboration across the industrial chain, steadily promoted external expansion through the integration of internal and external resources, built a BBMG industrial ecology and cultivated competitive industrial clusters, and continuously improved the full-chain industrial system and the full life-cycle service ecosystem of "good materials, good houses, and good services". Leveraging digital and intelligent technologies to empower the construction of Smart BBMG, the Company accelerated the transformation towards service-oriented manufacturing, connected the entire industrial chain covering design, production, trade, construction, operation and maintenance, and services, and demonstrated the unique full-chain advantages and comprehensive core competitiveness. Keeping close pace with market trends, the Company deepened its presence in the civil consumption sector, captured terminal traffic scenarios, and adopted multiple measures to promote industrial structure optimization and transformation and upgrading.

(II) Competitive edge in science and technology innovation engine

The Company scientifically formulated the "15th Five-Year" special plan for scientific and technological innovation and leveraged the Strategic Advisory Committee for Scientific and Technological Innovation, composed of 16 experts (including 11 academicians of the two academies), to steer the Company's high-quality development over the next five years. In line with the 2035 plan for building a country strong in materials, the Company further refined the new materials development blueprint. The Company fully promoted the “AI + New Materials” project in Beijing and established an innovation consortium with the “Two Intelligent Institutes (智能兩院)” to leverage AI technology in empowering materials research and development. The Company made further progress in the establishment of the innovation platform. The “Beijing Key Laboratory of Future Habitat and Creative Materials”, which was led by the Company in its application, was successfully approved, and the National Enterprise Technology Center successfully passed its re-evaluation. The Company continued to deepen the integration of industry, academia and research, and Jidong Equipment and the National Key Laboratory of New Metal Materials at the University of Science and Technology Beijing accelerated the joint establishment of an advanced materials R&D base. The Company continued to improve the innovation system, and completed the re-election of the science and technology association and the science and technology innovation committee, and the establishment of the young science and technology talents development alliance. A total of 182 patents were granted, including 38 invention patents and 8 software copyrights. Three standards were compiled and published. The affiliated enterprises won 3 provincial and ministerial level science and technology awards. One provincial-level “technologically advanced” enterprise was added.

(III) Competitive edge in green and sustainable development

The Company completed the preparation of the special plan for “carbon neutrality and carbon emission peaking” for the “15th Five-Year Plan” period, issued the opinions on comprehensive treatment of solid waste, and further strengthened the green and low-carbon management system. The Company’s management capabilities of “carbon neutrality and carbon emission peaking” continued to improve, with the successful launch of the information management platform of “carbon neutrality and carbon emission peaking” and the completion of the first round of “carbon footprint verification” for 12 affiliated entities. The Company continued to optimize the energy structure, and the fuel substitution rate and raw material substitution rate of the cement group reached 16.93% and 7.09%, respectively. The clinker production capacity with unit energy consumption reaching the benchmark level accounted for 76.40%. The Company accelerated the development and utilization of renewable energy. 6 photovoltaic power generation projects realized grid-connected power generation with an additional installed capacity of 13.95MW. The Company’s total green electricity consumption reached 444 million kWh, representing a year-on-year increase of 12.3%. The Company’s role as a “city purifier and a strong government partner” became increasingly prominent, with 1.9693 million tonnes of waste co-processed, representing a year-on-year increase of 24.45%. The Company achieved remarkable results in the green transformation. Three units including Dingxin Company (鼎鑫公司) completed the public disclosure for the full-process of ultra-low emission, two enterprises including Tianjin Zhenxing (天津振興) were recognized as national green factories, and 19 enterprises successfully obtained various green awards and subsidies with total amount of RMB39.28 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 2.6%. The Company successfully issued renewable bonds of RMB6 billion, achieved supply chain financing of RMB1.3 billion, and completed the preparatory work before its application of the shelf offering of CMBS project. 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) played professional roles in improving the overall capital operation efficiency of the Company, broadening financing channels and preventing capital risks, thus realizing the organic integration of industrial capital and financial capital. The Company played the role of a platform for listed companies, improved the overall financing efficiency and continuously consolidated the financial foundation for the healthy and sustainable development of the Company. The Company actively implemented the policy of tax reduction and fee reduction, and strove for various fiscal and tax concessions of more than RMB150 million. The Company's issuer credit rating remained AAA, the financing channels were smooth in supporting the development of the main business, and the capital structure was optimized.

(V) Competitive edge in corporate culture and branding

The core value of BBMG's corporate culture is based on the pragmatic working culture of "work with aspiration, competence, efficiency, success and prudence", the human spirits of "eight specials", the development philosophy of "integration, communion, mutual benefit and prosperity", and the corporate spirits of "three emphasis and one endeavor". We united our minds and efforts and forged ahead to carry forward culture and brand value. The Company followed the instructions of Xi Jinping, general secretary of the 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 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. In the first half of 2026, a total of 3 employees and 3 collectives were awarded the titles of model workers at or above provincial (ministerial) level and the Labor Day Medal, and Mr. Wang Yuanfei, as a representative of model workers, attended the "May Day" press conference of Beijing Federation of Trade. Good brand awareness and reputation have shaped a good cultural atmosphere and provided intellectual support for creating a new landscape of BBMG's high-quality development.

POSSIBLE RISKS FACED BY THE COMPANY

1. External environment risk

Currently, China's development environment is profound and complex, presenting both strategic opportunities and risk challenges, with an increasing number of uncertain and unpredictable factors. Internationally, the rivalry among major powers continues to deepen, the economic globalization suffers from a countercurrent, the global industrial and supply chains are undergoing accelerated restructuring, and geopolitical conflicts occur frequently. As a result, enterprises face rising compliance costs for cross-border trade, greater volatility in export orders, and heightened geopolitical and policy risks associated with overseas investment. Domestically, as new-type urbanization enters a high-quality development stage of improving quality of the stock, urban renewal is being advanced across the board, and industry business models are in urgent need of transformation; concurrently, negative population growth persists, marked by the accelerating trends of aging and declining fertility, placing pressure on overall demand in the real estate and traditional building materials industries. On the consumption side, continuous upgrading shifts household consumption towards rational, diversified and one-stop services, and demand for green, intelligent and age-friendly products continues to rise, presenting structural opportunities to segments such as high-tech building materials and age-friendly building components.

Responses: In the new stage, the Company will adhere to high-quality development as its theme, take scientific and technological innovation and deepening reform as core driving forces to vigorously develop new quality productive forces and establish a more competitive market-oriented mechanism respectively, and rely on the transformation and upgrading of traditional industries, the cultivation and expansion of emerging industries, and the efficient utilization and integration of internal resources as pillars to reshape a modern industrial system with BBMG's distinctive characteristics. The Company will promote the comprehensive renewal and upgrading of the traditional building materials industry, focus on breakthroughs in material performance and expansion of application scenarios, intensify efforts to tap into the consumer market, precisely develop age-friendly products, and continuously move up the industrial and value chains. In terms of the real estate business, the Company will establish a development model of "fine development, strong operation and excellent service", which shifts from scale expansion to prioritizing quality and efficiency and from emphasizing development to balancing "development and operation", and continuously deepen its engagement in urban renewal business so as to build a sustainable development model.

2. Policy risk

In recent years, the state has intensively introduced restrictive policies such as solid waste treatment, carbon emission management and control, construction waste recycling, and building materials capacity control. As a result, the Company's cement, aggregate and solid waste disposal businesses continue to face dual cost pressures from normalized compliant operation and maintenance and green technological transformation. In the field of solid waste, the Ministry of Ecology and Environment's 15th Five-Year Plan for the Prevention and Control of Solid Waste Pollution clearly aims to reduce the scale of hazardous waste landfill, broadening the market space for cement kiln co-processing in an orderly manner; however, the industry entry threshold, full-process online monitoring and standards for tail gas treatment continue to be upgraded, leading to rigid increases in compliance investment. In terms of carbon control, the cement industry's 2024-2026 carbon market transition period is coming to an end, and carbon quota control will be comprehensively tightened from 2027 onward. Coupled with the national policy on energy conservation and carbon reduction, existing high-carbon clinker production lines require sustained investment in low-carbon technological transformation, with long-term rigid expenditures for carbon compliance and equipment transformation. With the implementation and improvement of supporting regulations on construction waste recycling, recycling projects across various regions are accelerating, and the supply of recycled building materials continues to expand, creating sustained substitution competition for the Company's natural aggregate business.

Responses: Seizing the development opportunities presented by the plans to boost circular economy and build Beautiful China, the Company will continue to deepen its hazardous and solid waste disposal business, optimize the comprehensive disposal layout of solid and hazardous waste, accelerate the expansion into new resource utilization and disposal businesses such as lithium battery recycling and photovoltaics, and continuously scale up and strengthen green operations to make them new engines of growth for the Group. For the cement business, the Company will accelerate the implementation of energy conservation and carbon reduction as well as full-process ultra-low emission technological transformation, improve the full-chain carbon accounting and carbon asset operation system, and hedge against the cost pressure of normalized compliance control in the carbon market in advance. For the aggregate business, the Company will proactively respond to the impact of substitution competition from recycled building materials, optimize the supply structure of aggregate products, and consolidate market share with high-quality products and brand advantages. Overall, the Company will coordinate the Group's layout for green and low-carbon transformation, extend the industrial chains of high-end green building materials and solid waste circular economy, and feed the value added from circular industries back to environmental technological transformation, thereby comprehensively driving the enterprise's high-quality and sustainable development.

3. Capital operation risk

In the first half of 2026, monetary policy, on a moderately loose basis, continued to strengthen both counter-cyclical and cross-cyclical adjustments, highlighting a policy orientation toward flexible intensification, targeted implementation, and improved quality and efficiency. The People's Bank of China continued to optimize its diversified monetary policy toolbox, improve the market-oriented interest rate regulation framework, and guide the steady decline of the overall social financing cost through a combination of measures such as interest rate cuts, regular liquidity injections and expansion of structural tools. The policy focus remained on expanding domestic demand and cultivating new quality productive forces, continuously increasing financial support for scientific and technological innovation, green and low-carbon transformation, inclusive small and micro enterprises, new types of consumption and government-subsidized housing construction, and optimizing the credit structure through targeted and precise regulation, to help the economy stabilize and recover, prices recover reasonably, and consolidate the foundation for high-quality development. The building material and real estate businesses were still in the phase of deep adjustment. Affected by the weakening market demand, the business operation continued to face pressure. The structural issues such as a relatively high debt ratio and a significant amount of debts falling due in the short term still existed, which had an adverse impact on the capital turnover and the stability of business operations.

Responses: The Company will capitalize on the dividends of the moderately loose monetary cycle, proactively align with the loose financial policy environment, comprehensively expand diversified financing channels, and continuously reduce the overall financing cost. The Company will precisely access low-cost policy funds such as bank technology loans, green credit and inclusive special loans to maximize policy financing dividends. The Company will strengthen refined control over the entire business process, further advance the special work of reducing "accounts receivable and inventory", accelerate inventory de-stocking, improve the collection efficiency of accounts receivable, revitalize stock assets and enhance capital turnover efficiency. Anchoring the core objectives of stabilizing leverage and preventing risks, the Company will implement dynamic control over both debt scale and asset-liability ratio, improve the normalized debt risk warning and disposal mechanism, and continuously optimize the capital structure to ensure that the Company's debt scale and risk level remain within a reasonable and controllable range. Relying on its own high-quality stock assets, the Company will actively promote innovative financing models such as CMBS asset securitization, optimize the debt maturity structure, broaden funding sources, and enhance overall asset operation and capital allocation efficiency. The Company will give full play to the platform advantages of BBMG Finance Co., Ltd. (北京金隅財務有限公司) in centralized fund coordination and BBMG Finance Lease Co., Ltd. (金隅融資租賃有限公司) in asset revitalization, and dynamically adjust debt maturity, interest rates and structure to minimize capital costs and maximize operational efficiency, thereby providing sufficient, stable and low-cost funding support for the Company's sound operation, transformation and upgrading, and high-quality development.

4. Market competition risk

The year 2026 marks the deadline for the concentrated commissioning of replacement projects under the Implementation Measures for Capacity Replacement in the Cement and Glass Industries (2024 Edition), and replacement quotas that have been announced but not been implemented by the end of the year will automatically expire. Industry enterprises are accelerating the review, transfer and implementation of clinker capacity quotas, and competition in the integration of existing capacity continues to intensify. In the first half of 2026, the stimulus effect of infrastructure investment was limited, real estate development and new housing starts continued to decline, and the cement market as a whole saw stronger supply than demand, with the inventory-to-capacity ratio remaining high. National cement prices fluctuated in the first quarter of 2026, continued to decline from April 2026, and trended downward overall in the second quarter of 2026, with intensified low-price involution in the industry. The real estate market shows a pattern of overall bottoming out and deep tiering by city tier. The de-stocking cycle for new homes in key cities nationwide generally exceeds the equilibrium range, and inventory de-stocking pressure remains significant. The industry's development logic has shifted from the high-speed growth driven by scale expansion to the high-quality development based on quality competition. The mandatory national standard Project Code for Residential Building (GB 55038-2025) came into effect in May 2025, together with the Ministry of Housing and Urban-Rural Development's policy guidelines related to construction, establish mandatory baseline indicators for residential buildings across dimensions such as waterproofing, sound insulation, age-friendly amenities, and green and intelligent construction, directly raising project construction costs. Product quality, full-cycle property services and asset operation capabilities have become core competitive barriers for real estate enterprises.

Responses: For the cement business, the Company will focus on optimizing capacity structure, continuously increase the proportion of advanced production capacity, and comprehensively enhance regional market influence and leadership. The Company will consolidate cost advantages through full-process lean control, shape differentiated core competitiveness through product iteration, service upgrading and brand empowerment, accelerate digital and intelligent as well as green and low-carbon transformation, and promote intelligent technological transformation and clean energy substitution, thereby achieving energy conservation, consumption reduction, quality improvement and profit growth. For the real estate business, the Company will seize the policy opportunities of urban village renovation, government-subsidized housing and urban renewal, accelerate inventory de-stocking by tier and category, dynamically optimize sales strategies, strengthen payment collection management, revitalize self-owned land and develop it in line with high-quality residential standards, enhance commercial operation and community value-added service capabilities, and build a brand-new business model featuring coordinated development of inventory revitalization, quality development and hold-and-operate, thereby actively mitigating market competition risks arising from the industry downturn.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2026, the Group's total assets amounted to approximately RMB268,147.2 million, representing an increase of approximately 1.7% from the beginning of the Reporting Period, which comprised total liabilities of approximately RMB184,774.2 million, minority interests of approximately RMB16,562.7 million and total equity attributable to the shareholders of the parent company of approximately RMB66,810.3 million. As at 30 June 2026, total shareholders' equity amounted to approximately RMB83,373.0 million, representing a decrease of approximately 6.2% from the beginning of the Reporting Period. As at 30 June 2026, the Group's net current assets were approximately RMB35,082.0 million, representing a decrease of approximately RMB7,185.3 million or 17.0% from the beginning of the Reporting Period. Debt ratio (total liabilities to total assets) was 68.9%, representing an increase of approximately 2.6 percentage points from the beginning of the Reporting Period.

As at 30 June 2026, the Group's cash and bank balances amounted to approximately RMB18,269.7 million, representing an increase of approximately RMB2,045.6 million or 12.6% from the beginning of the Reporting Period. During the Reporting Period, the Group generally financed its operations with internally generated resources, short-term financing bonds, perpetual bonds, corporate bonds, medium-term notes, private bonds and banking facilities provided by its principal bankers in the PRC. As at 30 June 2026, the Group's interest-bearing bank borrowings amounted to approximately RMB106,275.2 million (as at 31 December 2025: RMB100,704.1 million) which bore fixed interest rates and were all denominated in Renminbi. Among these borrowings, approximately RMB49,271.8 million interest-bearing bank borrowings were due for repayment within one year, representing an increase of approximately RMB4,105.3 million from the beginning of the Reporting Period. Approximately RMB57,003.4 million interest-bearing bank borrowings were due for repayment after one year, representing an increase of approximately RMB1,465.8 million from the beginning of the Reporting Period. The Group's interest-bearing bank borrowings were all denominated in RMB.

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

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

1. No profits shall be distributed to the shareholders;

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

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

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

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

NOTIFIABLE TRANSACTIONS DURING THE REPORTING PERIOD

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

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.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In order to further enhance corporate governance standards and implement the sustainable development concept and in accordance with the requirements of the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies and other laws and regulations, the Board considered and approved the proposed amendments to the articles of association of the Company (the "**Articles of Association**") and the Rules of Procedures for Shareholders' General Meetings, and the change of the name of the strategic committee of the Board to the strategic and sustainability committee and amendments to its rules of procedures during the Reporting Period.

The above proposed amendments to the Articles of Association and the proposed amendments to the Rules of Procedures for Shareholders' General Meetings had been submitted to the annual general meeting of the Company for the year 2025 (the "**2025 AGM**") held by the Company on 4 June 2026 as a special resolution for consideration and had been approved by shareholders of the Company by way of voting. The amended Articles of Association and Rules of Procedures for Shareholders' General Meetings took effect from the date on which this resolution was passed at the 2025 AGM.

For specific contents and details of the proposed amendments to the Articles of Association and the proposed amendments to the Rules of Procedures for Shareholders' General Meetings, please refer to the announcement of the Company dated 29 April 2026 and the circular of the 2025 AGM dated 29 April 2026.

COMMITMENTS

Unit: RMB

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Asset acquisition or construction contracts entered into but not completed	**864,077,715.88**	317,552,240.01
Property development contracts entered into and being executed or will be executed	**7,169,213,738.63**	8,014,006,167.00
	8,033,291,454.51	8,331,558,407.01

CONTINGENCIES

Unit: RMB

		As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Provision of guarantee on mortgage to third parties	*Note 1*	**2,680,742,795.60**	1,748,577,759.96
Provision of guarantee on loans and others to third parties	*Note 2*	**585,000,000.00**	630,000,000.00
Provision of guarantee on loans and others to related parties	*Note 3*	**493,600,000.00**	615,600,000.00
		3,759,342,795.60	2,994,177,759.96

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

Note 2: As at 30 June 2026, Jidong Development Group Co., Ltd., a subsidiary of the Group, provided guarantees with joint obligations on the borrowings of RMB585,000,000.00 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: As at 30 June 2026, BBMG Jidong Cement Group Co., Ltd., a subsidiary of the Group, provided guarantees with joint obligations on nine borrowings of RMB5,000,000.00, RMB15,000,000.00, RMB5,000,000.00, RMB5,000,000.00, RMB5,000,000.00, RMB10,000,000.00, RMB7,500,000.00, RMB12,500,000.00 and RMB10,000,000.00元, respectively, for Anshan Jidong Cement Co., Ltd., which will expire on 23 September 2026, 16 October 2026, 14 November 2026, 16 November 2026, 14 December 2026, 16 December 2026, 29 April 2027, 14 May 2027 and 10 June 2027, respectively. BBMG Real Estate Development Group Co., Ltd., a subsidiary of the Group, 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.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

PLEDGE OF ASSETS

As at 30 June 2026, the Group's cash and bank balances, certain inventories, bill receivables, receivables, fixed assets, investment properties, land use rights, data resources and restricted cash arising from pre-sales of properties totaling approximately RMB22,019.4 million (as at 31 December 2025: RMB28,226.5 million) were pledged to secure the short-term and long-term loans of the Group, which accounted for approximately 8.2% of the total assets of the Group (as at 31 December 2025: 10.7%).

EMPLOYEES

As at 30 June 2026, the Group had 42,083 employees in total (as at 31 December 2025: 42,792). During the Reporting Period, the aggregate remuneration of the Group's employees (including Directors' remuneration) amounted to approximately RMB3,762.0 million (for the six months ended 30 June 2025: RMB3,856.9 million), representing a decrease of approximately 2.5%. The Group provides its employees in the PRC with retirement insurance, medical insurance, unemployment insurance, maternity insurance and industrial injury insurance as well as a housing provident fund pursuant to PRC laws and regulations. The Group pays salaries to its employees based on a combination of factors such as their positions, lengths of service and work performance, and reviews these salaries and benefits on a regular basis.

RISK MANAGEMENT

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

FOREIGN EXCHANGE RISK MANAGEMENT

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

TREASURY POLICIES

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

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

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

SIGNIFICANT INVESTMENTS

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Company's total assets as at 30 June 2026) during the Reporting Period.

SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

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

LOAN ARRANGEMENTS GRANTED TO ENTITIES

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

PLEDGE OF SHARES BY CONTROLLING SHAREHOLDERS

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

BREACH OF LOAN AGREEMENTS

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

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

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

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

As at 30 June 2026, the total issued share capital of the Company was 10,677,771,134 shares, of which 8,339,006,264 were A Shares and 2,338,764,870 were H Shares. To the best knowledge of the directors of the Company (the "**Directors**"), the records of interest (being 5% or more of the Company's issued share capital) as registered in the register of interests kept by the Company under section 336 of the Securities and Futures Ordinance (the "**SFO**") were as follows:

Long positions:

Type of shareholding	Name of shareholder	Capacity and nature of interest	Number of shares held	Percentage of such shareholding in the same type of issued share capital *(%)*	Percentage of total issued share capital *(%)*
A Shares	Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司) *(Note 1)*	Direct beneficial owner	4,835,228,438	57.983	45.283
	Beijing Jingguofa Equity Investment Fund (Limited Partnership) (北京京國發股權投資基金(有限合夥)) *(Note 2)*	Interest of corporation controlled by substantial shareholder	43,115,900	0.517	0.404
	State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality *(Note 1)*	Held by controlled corporation	4,878,344,338	58.500	45.687

Note 1: Beijing State-owned Capital Operation and Management Company Limited is a collectively-owned enterprise established under the laws of the PRC with registered capital fully paid up by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality.

Note 2: Beijing State-owned Capital Operation and Management Company Limited 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 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)).

Save as disclosed above, as at 30 June 2026, so far as was known to the Directors, there were no other parties who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

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

As at 30 June 2026, none of the Directors or chief executive officer of the Company had an interest or short position in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered in the register of interests maintained by the Company, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

As at 30 June 2026, the Directors were not aware of any issues of the Directors, then supervisors and relevant employees not in compliance with the Model Code during the six months ended 30 June 2026. Specific enquiry has been made to all Directors and then supervisors, who have confirmed that they had complied with the Model Code during the Reporting Period.

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

The Group did not sell, repurchase or redeem any of the securities (including sale of treasury shares (as defined under the Listing Rules)) of the Company during the six months ended 30 June 2026. During the six months ended 30 June 2026, the Company did not have any treasury shares.

CORPORATE GOVERNANCE CODE

Good corporate governance is conducive to enhancing overall performance and accountability and is essential in modern corporate governance. The Board continuously observes the principles of good corporate governance in the interests of Shareholders and devotes considerable effort identifying and formalizing the best practice. During the Reporting Period, the Company had reviewed its corporate governance documents, the Board is of the view that the Company had fully complied with the code provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules.

BOARD COMPOSITION

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

Mr. Duan Zhihui has been nominated by the Board as the non-executive Director of the Company at the Board meeting held by the Board on 10 July 2026. The election of Mr. Duan Zhihui was subsequently approved at the 2026 first extraordinary general meeting held on 31 July 2026, and Mr. Duan Zhihui was appointed as the non-executive Director of the Company, with effect from 31 July 2026. Mr. Duan Zhihui was then appointed as a member of the Audit and Risk Committee of the Company, with effect from 31 July 2026. For details of the aforesaid appointment of Mr. Duan Zhihui, please refer to the announcement and the circular of the Company dated 10 July 2026 and the poll results announcement of the 2026 first extraordinary general meeting dated 31 July 2026.

On 31 July 2026, the Company received a resignation letter from Mr. Gu Tiemin. Mr. Gu Tiemin resigned as a non-executive Director and a member of the Audit and Risk Committee of the Company due to his work re-designation, with effect from 31 July 2026. For details, please refer to the announcement of the Company dated 31 July 2026.

Save as disclosed above, there was no change in the Directors for the six months ended 30 June 2026 and as of the date of this announcement.

AUDIT AND RISK COMMITTEE

The Company has established the Audit and Risk Committee pursuant to the provisions of the Listing Rules, aimed at reviewing and supervising the Group's financial reporting procedures. The Audit and Risk Committee is composed of three non-executive Directors and four independent non-executive Directors. At the meeting of the Audit and Risk Committee convened on 28 August 2026, the committee had reviewed and considered the Group's unaudited interim consolidated financial statements and the internal audit report for the six months ended 30 June 2026, reviewed the accounting standards and practices adopted by the Group, considered the Group's financial statements for the first half of 2026 and recommended that the Board adopted the financial statements for the first half of 2026.

As at the date of this announcement, members of the Audit and Risk Committee are Kong Qinghui (non-executive Director), Duan Zhihui (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.

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

The electronic version of this announcement will be published on the website of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the website of the Company (https://www.bbmg.com.cn). The 2026 interim financial report of the Company for the six months ended 30 June 2026 prepared in accordance with the China Accounting Standards for Business Enterprises, which contains the applicable information required under Appendix D2 to the Listing Rules, will be despatched to the Shareholders upon their written request and published on the websites of the Hong Kong Stock Exchange and the Company in due course. The PRC domestic interim results report for the six months ended 30 June 2026 and its abstract will be released on the website of the Shanghai Stock Exchange (http://www.sse.com.cn) and the website of the Company (https://www.bbmg.com.cn) around the same time as this interim results announcement.

ACKNOWLEDGEMENTS

I would like to take this opportunity to sincerely thank all shareholders, regulatory authorities, customers, partners and friends from all walks of life for your constant trust on behalf of the Board of Directors. At the same time, I would also like to thank the colleagues of the Board of Directors of the Company for your diligence and dedication and all employees of the Company for your hard work. In the new journey, we will anchor goals, overcome difficulties and go all out to continuously reward investors with outstanding operating results, and lay a solid foundation for realizing the grand blueprint of the "15th Five-Year Plan" and building a world-class enterprise!

By order of the Board
BBMG Corporation*
Jiang Yingwu
Chairman

Beijing, the PRC, 28 August 2026

As at the date of this announcement, the executive directors of the Company are Jiang Yingwu, Gu Yu and Zheng Baojin; the non-executive directors of the Company are Kong Qinghui, Duan Zhihui and Zhao Xinjun; and the independent non-executive directors of the Company are Liu Taigang, Hong Yongmiao, Tam Kin Fong and Yin Yuanping.

* *For identification purposes only*