



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

2024
ANNUAL REPORT

BBMG



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FINANCIAL HIGHLIGHTS

	2024	2023	Change	
Operating revenue (RMB'000)	110,711,819	107,955,680	2,756,139	2.6%
Gross profit margin from principal business (%)	9.9	10.8		Decreased by 0.9 percentage point
Total profit (RMB'000)	456,099	300,387	155,712	51.8%
Net (losses)/profit attributable to the shareholders of the parent company (RMB'000)	(555,162)	25,263	(580,425)	(2,297.5)%
Basic (losses)/earnings per share attributable to the shareholders of the parent company (before deducting other equity instrument indicators) (RMB)	(0.050)	0.002	(0.052)	(2,600.0)%
Basic losses per share attributable to the shareholders of the parent company (after deducting other equity instrument indicators) (RMB)	(0.15)	(0.08)	(0.07)	87.5%
Final dividend per share (RMB)	0.050	0.025	0.025	100.0%
Cash and bank balances (RMB'000)	18,292,078	17,332,117	959,961	5.5%
Total assets (RMB'000)	263,995,721	269,679,139	(5,683,418)	(2.1)%
Total equity attributable to the shareholders of the parent company (RMB'000)	73,717,500	73,007,025	710,475	1.0%
Current ratio (current assets/current liabilities)	1.4	1.2		Increase by 0.2 percentage point
Debt ratio (%) (total liabilities/total assets)	65.1	65.0		Increased by 0.1 percentage point

CORPORATE INFORMATION

Chinese name of the Company	北京金隅集團股份有限公司
English name of the Company	BBMG Corporation*
Headquarters	Tower D, Global Trade Center No. 36, North Third Ring East Road Dongcheng District, Beijing 100013, the PRC
Registered office and principal place of business in the PRC	No. 36, North Third Ring East Road Dongcheng District, Beijing, the PRC
Principal place of business in Hong Kong	Room 405, Kai Wong Commercial Building, 222 Queen's Road Central, Hong Kong
Website of the Company	www.bbm.com.cn/listco
Legal representative	Jiang Yingwu
The Board of Directors	
<i>Executive Directors</i>	Jiang Yingwu (<i>Chairman</i>) Gu Yu (<i>General Manager</i>) Jiang Changlu Zheng Baojin
<i>Non-executive Directors</i>	Gu Tiemin Hao Liwei
<i>Independent non-executive Directors</i>	Liu Taigang Hong Yongmiao Tam Kin Fong Yu Fei (<i>resigned on 4 March 2025</i>)

* For identification purpose only

CORPORATE INFORMATION

The Supervisory Board

Supervisors

Wang Guijiang
Fan Qinghai
Gao Junhua
Gao Jinliang
Qiu Peng
Yu Yuehua

Committees

Audit Committee

Tam Kin Fong (*Chairman*)
Gu Tiemin
Hao Liwei
Liu Taigang
Hong Yongmiao
Yu Fei (*resigned on 4 March 2025*)

Remuneration and Nomination Committee

Liu Taigang (*Chairman*)
Jiang Changlu
Hong Yongmiao
Tam Kin Fong
Yu Fei (*resigned on 4 March 2025*)

Strategic Committee

Jiang Yingwu (*Chairman*)
Gu Yu
Zheng Baojin
Liu Taigang
Hong Yongmiao
Tam Kin Fong
Yu Fei (*resigned on 4 March 2025*)

Executive Committee

Jiang Yingwu (*Chairman*)
Gu Yu
Jiang Changlu
Zheng Baojin

Authorised Representatives

Jiang Yingwu
Lau Fai Lawrence

Board Secretary

Zhang Jianfeng

Company Secretary

Lau Fai Lawrence

CORPORATE INFORMATION

Listing Information*A Shares*

A share registrar	China Securities Depository and Clearing Corporation Limited, Shanghai Branch 3rd Floor, China Insurance Building 166 Lujiazui Road East, Pudong New District, Shanghai, the PRC
Place of listing	Shanghai Stock Exchange
Stock name	BBMG
Board lot	100 shares
Stock code	601992.SH

H Shares

H share registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre 183 Queen's Road East, Wanchai, Hong Kong
Place of listing	The Stock Exchange of Hong Kong Limited (the " Hong Kong Stock Exchange ")
Stock name	BBMG
Board lot	1,000 shares
Stock code	02009.HK

Principal Bankers

Industrial and Commercial Bank of China Limited
Agricultural Bank of China Limited
Bank of Beijing Co., Ltd.
China Construction Bank Corporation
Bank of China Limited

Independent Auditor

Ernst & Young Hua Ming LLP
Certified Public Accountants

Legal Advisers

Haiwen & Partners LLP
As to Hong Kong law

Guantao Law Firm
As to PRC law

CORPORATE PROFILE

BBMG Corporation

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

1. Modern green building materials segment

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

Modern green and environmentally-friendly building materials manufacturing business: With cement as its core product, the Company has formed a complete industrial chain of building materials that is compatible with upstream and downstream businesses, which covers concrete, wall body and insulation materials, prefabricated building system and parts and furniture and woods, as well as an interactive mechanism that includes products and services such as decoration, architectural design and main construction contract of installations, creating a coordinated development pattern for the whole industrial chain. Currently, the production capacity of clinker amounted to approximately 110 million tonnes; the production capacity of



CORPORATE PROFILE

cement amounted to approximately 180 million tonnes; the production capacity of ready-mixed concrete amounted to approximately 62.0 million cubic meters while the production capacity of aggregates amounted to 86.0 million tonnes (including those in progress) and the production capacity of grinding aids and admixtures approximated 0.24 million tonnes, respectively. Its annual capacity for disposal of hazardous wastes and solid wastes was over 5.55 million tonnes (including construction waste). The Company's building materials products and construction and installation services were widely used in the construction of key hotspot projects, such as the Beijing's urban sub-center, Xiong'an New District and the Winter Olympic Stadium, which fully demonstrated the strength of BBMG's modern building materials business in terms of brand, quality and industrial chain and enhanced systematic application and coordinated marketing of its products.

Equipment manufacturing and trading services business: The Company is capable to provide construction and service for the whole industrial chain services covering from process design, equipment design and manufacturing, building installation, production commissioning to spare parts supply, maintenance, and production and operation forming the cement production lines with a daily output of 12,000 tonnes. The products developed by the Company, such as high-efficiency vertical cement mill, co-disposal technology of hazardous wastes and solid wastes via cement kiln, automatic control and intelligent operation and maintenance system, heaving castings with piece weight of 10-150 tonnes and precision casting with piece weight of 0.01kg to 30kg, have reached the advanced level in the industry. Under the premise of controllable risks, the Company will improve the supply chain network configuration and asset layout, and continue to improve and strengthen the international trade and building materials and commerce logistics business.



CORPORATE PROFILE

2. Property Development and Operation Segment

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

Property development business: The Company developed approximately 170 property projects with a total gross floor area over 30.0 million sq.m.. At present, the Company has made its presence in 17 cities including Beijing, Shanghai, Tianjin, Chongqing, Hangzhou, Nanjing and Suzhou, developing a nationwide business presence “from Beijing to three major economic rims, namely Beijing-Tianjin-Hebei region, Yangtze River Delta and Chengdu-Chongqing region”.

Property operation business: At present, the Company holds investment properties of the area of approximately 2,622,000 sq.m. such as high-end office buildings, commercial and industrial parks, of which 846,000 sq.m. are high-end investment properties in core areas in Beijing, and manages properties inside and outside Beijing of the area of 19.09 million sq.m. Its professional capabilities, brand awareness, occupancy rate and revenue have led the industry in Beijing and even the PRC for years.

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

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Directors

Mr. Jiang Yingwu, born in October 1966, aged 58, is the executive Director, chairman of the Board and the secretary of the Party Committee of the Company. Mr. Jiang Yingwu graduated with a bachelor's degree in silicate engineering from the Department of Inorganic Materials Science and Engineering at Shandong College of Building Materials Industry (山東建材工業學院). He is a senior economist and senior engineer. He has been an executive Director since 19 January 2021 and served as the chairman of the Board and the secretary of the Party Committee of our Company since February 2023. Since September 1987, Mr. Jiang Yingwu successively took office in Beijing Yanshan Cement Plant* (北京燕山水泥廠) and BBMG Group Company Limited and other companies. He has held various positions in the Company including the director of the Strategic Development Department, director of the Party Committee Organization Department, deputy general manager, deputy secretary of the Party Committee, general manager, etc.

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

Mr. Gu Yu, born in March 1972, aged 52, is the deputy secretary of the Party Committee, executive Director and general manager of the Company. Mr. Gu Yu graduated from Beijing Materials Institute with a major in Logistics Engineering. He holds a postgraduate degree and a master's degree in Engineering. He is a senior economist and senior engineer. He has been appointed as the executive Director since 27 September 2023. Mr. Gu Yu has served as the deputy secretary of the Party Committee and the general manager of the Company since July 2023 and August 2023 respectively. Since July 1993, Mr. Gu Yu successively took office in Equipment and Material Company of Beijing Uni-Construction Group* (北京住總集團設備物資公司), Beijing Uni-Construction International Wood Industrial Co., Ltd.* (北京住總國際木業有限公司), and Beijing Uni-Construction Logistics Co., Ltd.* (北京住總物流有限公司) and other companies. He has held various positions including secretary of the Party Committee and chairman of Beijing Uni-Construction Tech.& Trade Holding Group Co., Ltd.* (北京住總科貿控股集團有限公司), deputy secretary of the Party Committee and deputy general manager of Beijing Urban Construction Group Co., Ltd.* (北京城建集團有限責任公司), etc. He has also served as a member of the Party Committee of the Xinjiang Hetian Commander Headquarters and the deputy secretary of Urumqi Municipal Committee.

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

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BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Jiang Changlu, born in May 1965, aged 59, is the deputy secretary of the Party Committee and executive Director of the Company. Mr. Jiang Changlu graduated from the University of Science and Technology Beijing with a major in Environmental Science and Engineering. He holds a postgraduate degree and is a senior economist. He has been appointed as the executive Director since 27 September 2023. Mr. Jiang Changlu has been serving as the deputy secretary of the Party Committee of the Company since July 2023. Since August 1987, Mr. Jiang Changlu successively took office in Beijing Liulihe Cement Factory* (北京市琉璃河水泥廠), BBMG Cement Trading Co., Ltd. and other companies. He held various positions including deputy general manager and chairman of Hebei Taihang Cement Co., Ltd., secretary of the Party Committee and chairman of Tangshan Jidong Cement Co., Ltd., and assistant to general manager and deputy general manager of the Company.

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

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

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

Mr. Gu Tiemin, born in May 1968, aged 56, has been a non-executive Director since 12 May 2021. Mr. Gu Tiemin graduated from the Law Department of the College of Humanities and Law of Beijing Union University* (北京聯合大學) in July 1991, majoring in law. Mr. Gu Tiemin received his master of law degree from the Law School of Renmin University of China* (中國人民大學) in January 2001. He is a senior economist and lawyer. Mr. Gu Tiemin is currently an expatriate full-time director of Beijing State-owned Capital Operation and Management Center* (北京國有資本經營管理中心). Since 1991, Mr. Gu Tiemin successively took office in the Legal Office of Beijing Municipal Government* (北京市政府法制辦公室), Beijing Xuanwu District Government* (北京市宣武區政府), and Beijing Municipal

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Commerce Bureau* (北京市商務局) and other companies. He held various positions including deputy general manager of Beijing Capital Agribusiness Group Co., Ltd.* (北京首都農業集團有限公司), and secretary of the Party Committee and chairman of Beijing International Technology Cooperation Center Limited* (北京國際技術合作中心有限公司). Mr. Gu Tiemin has been serving as the non-executive director of BAIC Motor Corporation Limited* (北京汽車股份有限公司) (SEHK stock code: 1958) since June 2021.

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

Ms. Hao Liwei, born in July 1980, aged 44, has been appointed as a non-executive Director since 18 December 2023. Ms. Hao Liwei graduated from Beijing University of Technology* (北京工業大學), majoring in materials science, with a master's degree in engineering and is a senior engineer. Ms. Hao Liwei currently serves as the dean of the Cement and Concrete Research Institute at Beijing Building Materials Academy of Sciences Research Co., Ltd.* (北京建築材料科學研究總院有限公司). Since July 2007, Ms. Hao Liwei has served as deputy general manager of the Cement Technology Department and deputy dean, and dean of the Cement Green Development Research Institute at Beijing Building Materials Academy of Sciences Research Co., Ltd.* (北京建築材料科學研究總院有限公司), etc.

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

Mr. Liu Taigang, born in July 1966, aged 58, has been an independent non-executive Director since 12 May 2021. Mr. Liu Taigang graduated from the Law School of Renmin University of China* (中國人民大學) with a doctorate degree in law, majoring in administrative law. Mr. Liu Taigang is currently a professor and doctoral tutor of public administration in the School of Public Administration of Renmin University of China, and a director of the Teaching and Research Section of Public Organization and Human Resources. Mr. Liu Taigang was a legal advisor of the Office of Tong Chi Kin Kwan Tsui Hang Legislative Councillor (唐志堅關翠杏立法議員辦事處) (seconded from the Macau Branch of Xinhua News Agency (新華社)). Mr. Liu Taigang was also a member of the Beijing Party Committee of China National Democratic Construction Association* (中國民主建國會), member of the Central Legal Committee of the China National Democratic Construction Association, member of the sixth and seventh session of the Chinese People's Political Consultative Conference of Haidian District, Beijing and member of the 3rd batch of special inspectors of the State Ministry of Supervision (國家監察部).

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

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Hong Yongmiao, born in February 1964, aged 61, has been an independent non-executive Director since 12 May 2021. Mr. Hong Yongmiao graduated from University of California, San Diego and obtained a doctor's degrees in Economics. Mr. Hong Yongmiao is an academician of the Academy of Sciences for the Developing World* (發展中國家科學院) and fellow of the Econometric Society (世界計量經濟學學會). He is a distinguished research fellow at the Institute of Mathematics and Systems and the Prediction Science Research Center of the Chinese Academy of Sciences* (中國科學院), a distinguished professor and dean of the School of Economics and Management of the University of Chinese Academy of Sciences. Mr. Hong Yongmiao was formerly a chair professor of Economics and International Studies at Cornell University (康奈爾大學), and the dean of the Wang Yanan Institute for Studies in Economics and the School of Economics of Xiamen University (廈門大學). Mr. Hong Yongmiao has been serving as an independent non-executive director of the China Everbright Bank Company Limited (中國光大銀行股份有限公司) (SEHK stock code: 6818) since September 2019.

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

Mr. Tam Kin Fong, born in April 1971, aged 54, has been an independent non-executive Director since 12 May 2021. Mr. Tam Kin Fong graduated from the City University of Hong Kong (香港城市大學), majoring in accounting, with a Bachelor of Arts (Hons) degree in accounting. After graduation, Mr. Tam Kin Fong worked at the auditing department of PricewaterhouseCoopers, and also served as a financial controller of a subsidiary of NWS Holdings Limited (新創建集團有限公司). Mr. Tam Kin Fong is currently a certified public accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Tam Kin Fong is currently a managing director of Dakin Capital Limited (德健融資有限公司). Before he joined Dakin Capital Limited, Mr. Tam Kin Fong held positions in various international and Hong Kong investment banks, including vice president of Daiwa Securities Co., Ltd. (大和證券有限公司), executive director and co-head of Hong Kong Merchants Securities Co., Ltd. (香港招商證券有限公司) and head of investment banking department of Ping An of China Securities (Hong Kong) Company Limited (中國平安證券(香港)有限公司).

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

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Yu Fei, born in March 1977, aged 48, has been an independent non-executive Director since 12 May 2021 and resigned as an independent non-executive director on 4 March 2025. Mr. Yu Fei graduated from the Graduate School of the Chinese Academy of Social Sciences* (中國社會科學院) with a doctorate degree in civil and commercial law. Mr. Yu Fei is currently a dean, professor and doctoral tutor of Civil, Commercial and Economic Law School of China University of Political Science and Law* (中國政法大學) and a practising lawyer. Mr. Yu Fei took a temporary post in Zhongguancun Science and Technology Park Changping Park* (中關村科技園昌平園) (deputy-director-general-level) and concurrently served as a council member of the China Law Society* (中國法學會), vice president of Beijing Real Estate Law Research Association* (北京市不動產法研究會), vice president of Beijing Debt Law Research Association* (北京市債法學研究會), member of Tianjin Procuratorate Expert Advisory Committee (天津市檢察院專家諮詢委員會), expert advisor of Beijing Xicheng District Court* (北京市西城區法院), etc. He is an adjunct professor at East China University of Political Science and Law* (華東政法大學), Zhengzhou University* (鄭州大學) and the Henan Branch of the National Prosecutors College of PRC* (國家檢察官學院). Mr. Yu Fei was also elected to the "New Century Excellent Talent Support Plan of the Ministry of Education", and awarded an award of "Beijing Youth May 4th Medal".

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

Supervisors

Mr. Wang Guijiang, born in February 1980, aged 45, has been appointed as a Supervisor of the Supervisory Board since 12 May 2021. Mr. Wang Guijiang graduated from the Central Party School with a major in Economics (Economic Management) and holds a postgraduate degree. He is a senior political engineer. Mr. Wang Guijiang is currently the director of the Party Committee Organization Department, and successively served as the deputy director of the Party Committee Organization Department, and the director of the Office and the Party Committee Office of the Company. Mr. Wang Guijiang began to work in June 2003 and held various positions including deputy director of the Office at Hebei Taihang Cement Co., Ltd. (河北太行水泥股份有限公司), deputy secretary of the Party Committee of Handan Shexian BBMG Cement Co., Ltd. (邯鄲涉縣金隅水泥有限公司), and a deputy head of the organization division of the Party Committee of the Company.

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

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Fan Qinghai, born in August 1968, aged 56, has been appointed as a Supervisor of the Supervisory Board of the Company since 6 June 2024. Mr. Fan Qinghai is currently the director of the asset management department of the Company, and concurrently serves as the chairman of the supervisory committee of BBMG Finance Co., Ltd. (北京金隅財務有限公司), a supervisor of BBMG Finance Lease Co., Ltd. (金隅融資租賃有限公司), a supervisor of Beijing BBMG Finance Lease Co., Ltd. (北京金隅融資租賃有限公司) and a director of Tianjin Building Materials Group (Holdings) Co., Ltd. (天津市建築材料集團(控股)有限公司). Mr. Fan Qinghai graduated from Guanghua School of Management, Peking University with a major in chrematistics. He holds a university degree and a bachelor's degree in economics and is an accountant. Since July 1990, Mr. Fan Qinghai successively took office in Beijing Building Materials Chemical Factory (北京建材化工廠), Beijing Building Materials Group (北京建材集團), Beijing Alavus Building Energy Saving Components Co., Ltd. (北京愛樂屋建築節能製品有限公司), Beijing Dynea Chemical Industry Co., Ltd., Dachang BBMG Coating Co., Ltd. and other companies. He has served as the executive deputy director of the comprehensive office of BBMG Group Company Limited, secretary to the discipline inspection committee and chairman of the labor union of Beijing BBMG Coating Co., Ltd., etc.

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

Mr. Gao Junhua, born in January 1974, aged 51, has been appointed as a Supervisor of the Supervisory Board since 12 May 2021. Gao Junhua graduated from Wuhan Industrial University (武漢工業大學), majoring in automation. He obtained a bachelor's degree in engineering. He is an engineer. Gao Junhua currently serves as a deputy secretary of the discipline inspection committee of the Company. Gao Junhua began to work in July 1996 and successively took office in Beijing General Factory of Building Materials Products (北京市建材製品總廠) and other companies. He held various positions including secretary to the discipline inspection committee of Beijing Star Building Material Co. Ltd. (北京星牌建材有限責任公司), a secretary to the discipline inspection committee of Beijing BBMG Energy-saving Insulation Company Limited (北京金隅節能保溫有限公司), and a director of the discipline inspection and supervision and investigation office of the Company.

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

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Gao Jinliang, born in March 1977, aged 48, has been appointed as a Supervisor of the Supervisory Board since 26 November 2020. Mr. Gao Jinliang holds a master's degree in business administration from the University of the Chinese Academy of Sciences. He is a senior political engineer, engineer, human resources manager for enterprises (senior technician), and labor relations coordinator (senior technician). Mr. Gao Jinliang has been serving as the vice chairman of the labor union of our Company since October 2020 and as the director of the labor union work department of our Company since December 2020. Since August 2001, Mr. Gao Jinliang successively took office in Beijing Woodworking Factory* (北京市木材廠), BBMG Group Company Limited and other companies. Mr. Gao Jinliang served as the deputy secretary of the Party Committee, secretary of the discipline inspection commission, and chairman of the labor union of Tangshan Branch of BBMG Jidong Cement (Tangshan) Co., Ltd.

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

Mr. Qiu Peng, born in November 1984, aged 40, has been appointed as a Supervisor of the Supervisory Board since 12 May 2021. Mr. Qiu Peng graduated from the Business School of Central University of Finance and Economics (中央財經大學), majoring in technology economics and management, with a master's degree in management. Mr. Qiu Peng began to work in October 2010. Mr. Qiu Peng is currently a head of the Operation and Information Management Department of the Company, the deputy secretary of the Party Committee, director and general manager of Tianjin Building Materials Group (Holdings) Co., Ltd. (天津市建築材料集團(控股)有限公司), vice chairman of Zehnder (China) Indoor Climate Co., Ltd., and a director of Easyhome New Retail Group Corporation Limited (a company listed on the Shenzhen Stock Exchange, stock code: 000785). Mr. Qiu Peng served as deputy director of the Strategic Development Department, director of the Operation and Information Management Department, director of the Asset Management Department, and head of the Leading Group Office of the Digital and Intelligent Transformation Work of the Company.

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

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Yu Yuehua, born in February 1972, aged 53, has been appointed as a Supervisor of the Supervisory Board since 11 May 2023. Ms. Yu Yuehua received her bachelor's degree in thermal engineering of department of mechanical engineering from Harbin University of Science and Technology* (哈爾濱理工大學). She is a Chinese Certified Public Accountant. Ms. Yu Yuehua concurrently serves as a staff representative supervisor, the chief auditor and the general manager of the audit department of China National Building Material Company Limited* ("**CNBM**") (SEHK stock code: 03323). Ms. Yu Yuehua has been the chief auditor of CNBM since February 2023, a supervisor of Gansu Qilianshan Building Materials Holdings Co., Ltd.* (甘肅祁連山建材控股有限公司) and the chairman of supervisory committee of Gansu Qilianshan Cement Group Co., Ltd.* (甘肅祁連山水泥集團股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600720) since November 2022, a staff representative supervisor of CNBM since July 2020, a supervisor of Qilianshan since August 2020, a supervisor and the chairman of the supervisor committee of China United Cement from July 2020 to May 2022, and the general manager of the audit department of CNBM since September 2018. She served as a deputy general manager (in charge) of the audit department of CNBM from July 2018 to September 2018, a supervisor of Southwest Cement Co., Ltd. from June 2017 to June 2022, a deputy general manager (in charge) of the audit supervision department of CNBM from May 2017 to July 2018, and a deputy general manager of the finance department of CNBM from September 2015 to May 2017. Ms. Yu Yuehua was awarded as an Advanced Worker of Internal Audit Nationwide* (全國內部審計先進工作者) from 2017 to 2019, and awarded Excellent Achievements in Internal Audit Research Projects of National Audit Office of the People's Republic of China* (國家審計署內部審計研究課題優秀成果) in 2020 and the first prize for Outstanding Achievements in China's Enterprise Reform and Development* (中國企業改革發展優秀成果) in 2021.

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

Senior Management

Mr. Liu Wenyan, born in June 1967, aged 57, currently serves as a deputy general manager of the Company. Mr. Liu Wenyan graduated from the Beijing University of Technology majoring in materials engineering. He holds a master's degree in engineering. He is an engineer. Mr. Liu Wenyan began to work in July 1989 and successively took office in Beijing Liulihe Cement Plant, Luquan Dongfang Dingxin Cement Co., Ltd. and other companies. He has served as the secretary of the communist party committee and chairman of Jidong Development Group Co., Ltd., the chairman of Tangshan Jidong Equipment and Engineering Co., Ltd. (唐山冀東裝備工程股份有限公司) (Shenzhen Stock Exchange stock code: 000856), the secretary of the communist party committee and chairman of BBMG New Building Materials Industrialization Group Co., Ltd. (北京金隅新型建材產業化集團有限公司), etc.

Save as disclosed above, Mr. Liu Wenyan has no other relationship with any Directors, Supervisors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. An Zhiqiang, born in November 1965, aged 59, currently serves as the deputy general manager of the Company. Mr. An Zhiqiang graduated from Peking University, Guanghai School of Management majoring in business administration. He holds a university degree and a master's degree in business administration. He is a professor-level senior economist. Mr. An began to work in July 1988 and successively took office in Beijing Building Material Machinery Factory (北京市建築材料機械製造廠) and other companies. He has served as the manager of Beijing Jianji Assets Management Co., Ltd., deputy general economist of BBMG Group Company Limited and assistant to the general manager of BBMG Corporation, the secretary of the Party Committee and the chairman of Tianjin Building Materials Group (Holding) Co., Ltd. (天津市建築材料集團(控股)有限公司), etc.

Save as disclosed above, Mr. An Zhiqiang has no other relationship with any Directors, Supervisors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

Mr. Kong Qinghui, born in January 1971, aged 54, currently serves as the deputy general manager of the Company. Mr. Kong Qinghui graduated from Chongqing University of Technology majoring in accounting and Chongqing University majoring in logistics engineering. He holds a university degree and a master's degree in engineering. Mr. Kong Qinghui began to work in July 1995 and successively took office in Baby-Joy Group in Yantai, Logistics Headquarters, Marketing Headquarters, Sichuan-Chongqing Region and Shaanxi Region of Tangshan Jidong Cement Co., Ltd. and other companies. He served as the secretary of the Party Committee, chairman and general manager of Tangshan Jidong Cement Co., Ltd. and assistant to general manager of the Company, etc.

Save as disclosed above, Mr. Kong Qinghui has no other relationship with any Directors, Supervisors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

Mr. Liu Yu, born in July 1986, aged 38, currently serves as the deputy general manager and general legal counsel of the Company, and concurrently serves as the secretary of the Party Committee and chairman of Tangshan Jidong Cement Co., Ltd. (Shenzhen Stock Exchange stock code: 000401). Mr. Liu Yu graduated from China University of Political Science and Law with majoring in law (civil, commercial and economic law) and Central University of Finance and Economics with majoring in law. He holds a university degree and a master's degree in law, and is a corporate lawyer and economist. Mr. Liu Yu began to work in August 2005 and successively worked in BBMG Group Company Limited and Tangshan Jidong Cement Co., Ltd. Mr. Liu Yu has served as the deputy director of the Board Office and director of legal compliance department of BBMG Corporation, the secretary to the board of directors, general legal counsel, deputy general manager and general manager of Tangshan Jidong Cement Co., Ltd., etc.

Save as disclosed above, Mr. Liu Yu has no other relationship with any Directors, Supervisors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Zhang Dengfeng, born in September 1971, aged 53, currently serves as assistant to the general manager of the Company, the secretary of the Party Committee of Headquarters and the head of the General Affairs Management Department of Headquarters. Mr. Zhang Dengfeng graduated from the School of Public Administration of Renmin University of China majoring in administrative management and obtained a master's degree in management. He is a professor-level senior economist. Mr. Zhang Dengfeng began to work in August 1994 and successively served as assistant to manager of the Human Resources Department, deputy head of General Office of BBMG Group Company Limited, head of the Public Relations Department, director of the Party Committee Office, head of General Office, general legal counsel of the Company, etc.

Save as disclosed above, Mr. Zhang Dengfeng has no other relationship with any Directors, Supervisors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

Mr. Xu Chuanhui, born in August 1972, aged 52, currently serves as assistant to the general manager of the Company and the secretary of the Party Committee and chairman of BBMG Investment Property Management Co., Ltd. Mr. Xu Chuanhui graduated from Tianjin University of Commerce majoring in management information systems. He holds a university degree and a master's degree in business administration from Tsinghua University. He is a senior economist and an engineer. Mr. Xu Chuanhui began to work in August 1995 and successively took office in Beijing Building Materials Group Corporation, BBMG Property Management Co., Ltd., Beijing Gaoling Real Estate Development Co., Ltd. and other companies. He has served as the head of Real Estate and Property Division and the head of Investment Property Management Department of the Company, etc.

Save as disclosed above, Mr. Xu Chuanhui has no other relationship with any Directors, Supervisors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

Mr. Cheng Hongliang, born in November 1969, aged 55, currently serves as assistant to the general manager of the Company and the secretary of the Party Committee and chairman of BBMG Real Estate Development Group Co., Ltd. Mr. Cheng Hongliang graduated from University of Science and Technology Beijing majoring in business administration. He holds a postgraduate degree and a master's degree in business administration. He is an engineer. Mr. Cheng Hongliang began to work in August 1993 and successively took office in Beijing Building Materials Group Real Estate Development Co., Ltd., BBMG GEM Real Estate Development Co., Ltd., BBMG Group Company Limited, Beijing Dacheng Real Estate Development Co., Ltd. and other companies. He has served as the general manager of BBMG Real Estate Development Group Co., Ltd., the head of Asset Management Department, the head of Real Estate Development and Management Department of the Company, etc.

Save as disclosed above, Mr. Cheng Hongliang has no other relationship with any Directors, Supervisors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Zhang Ming, born in February 1981, aged 44, currently serves as the assistant to the general manager and the director of the environmental protection management department of the Company. Mr. Zhang Ming graduated from Beijing Institute of Aeronautical Materials with major in materials and holds a postgraduate degree and a doctorate's degree in engineering. He is a senior engineer. Mr. Zhang Ming began to work in February 2006 and successively took office in Beijing Institute of Aeronautical Materials, AVIC Composite Co., Ltd. (中航複合材料有限責任公司) and other companies. He has served as the director of the honeycomb and core materials department of AVIC Composite Co., Ltd. (中航複合材料有限責任公司), etc.

Save as disclosed above, Mr. Zhang Ming has no other relationship with any Directors, Supervisors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

Mr. Zhu Yan, born in August 1975, aged 49, currently serves as the assistant to the general manager of the Company and director of Tangshan Jidong Cement Co., Ltd. (Shenzhen Stock Exchange stock code: 000401). Mr. Zhu Yan graduated from the School of Business Administration of Beijing Institute of Machinery Industry majoring in accounting. He hold a university degree and a bachelor's degree in economics. He is a professor-level senior accountant. Mr. Zhu Yan began to work in July 1998 and successively took office in Beijing Aerated Concrete Co., Ltd., Beijing Cement Plant Co., Ltd., Hebei Taihang Cement Co., Ltd., Jidong Development Group Co., Ltd., Tianjin Building Materials Group (Holdings) Co., Ltd. (天津市建築材料集團(控股)有限公司) and other companies. He has served as the secretary of the Party Committee and chairman of BBMG New Building Materials Industrialization Group Co., Ltd. (北京金隅新型建材產業化集團有限公司), the chairman of STAR-USG Building Materials Co., Ltd., the deputy director of the Cement Business Division and director of the finance and capital department of the Company, etc.

Save as disclosed above, Mr. Zhu Yan has no other relationship with any Directors, Supervisors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

Mr. Zhang Jianfeng, born in August 1975, aged 49, currently serves as the secretary of the Board and the director of the Board Office of the Company, a director of Tangshan Jidong Equipment and Engineering Co., Ltd. (唐山冀東裝備工程股份有限公司) (Shenzhen Stock Exchange stock code: 000856) and a supervisor of China National Building Material Company Limited (Shenzhen Stock Exchange stock code: 3323). Mr. Zhang Jianfeng graduated from Wuhan Industry University (武漢工業大學) majoring in English. He holds a university degree and a bachelor's degree of Arts. Mr. Zhang Jianfeng began to work in August 1998 and held various positions including deputy director of the External Cooperation Department of BBMG Group Company Limited, deputy director of the Public Relations Department and the deputy director of the Board Office of the Company.

Save as disclosed above, Mr. Zhang Jianfeng has no other relationship with any Directors, Supervisors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

CHAIRMAN'S STATEMENT



Jiang Yingwu
Chairman

Dear Shareholders,

On behalf of the board of directors, I am pleased to present to you the annual results of the Company for the year 2024 and the operating results of the Company during the said period for your review.

Review

Results Performance

In 2024, in the face of severe internal and external challenges and heavy pressures, the Company thoroughly implemented the work requirements of the “One High, Double Win, Three Coordination” (一高雙贏三統籌), coordinated and promoted various tasks such as increasing efficiency, strengthening management, focusing on innovation and promoting reform around the working main line of “Efficiency Improvement Year”, withstood downward pressure, and overcame difficulties and challenges, achieving new progress and results in all work.

During the Reporting Period, the Company recorded an operating revenue of RMB110,711.8 million, representing a year-on-year increase of approximately 2.6%; net loss attributable to the shareholders of the parent company amounted to approximately RMB555.2 million, as compared with net profit attributable to the shareholders of the parent company of approximately RMB25.3 million in 2023; basic losses per share attributable to the shareholders of the parent company amounted to approximately RMB0.15, representing an increase of approximately RMB0.07 or approximately 87.5% as compared with basic losses per share of approximately RMB0.08 in 2023.

CHAIRMAN'S STATEMENT

Business Performance

Modern green building materials segment: In terms of the cement business, the Company focused on lean operation, achieving cost reduction and efficiency increase of RMB2.9 billion, resolutely opposed “rat race”, led the ecological restoration of the industry, steadily promoted mergers and acquisitions, reorganization and industrial chain extension, completed the acquisition of Heilongjiang Shuangyashan Cement Company (黑龍江雙鴨山水泥公司), and made every effort to fill the shortcomings of resources. During the year, mine resources increased by 390 million tons and aggregate production capacity increased by 16.7 million tons. In terms of the concrete business, the Company strengthened the control and decline of accounts receivable, and realized the “double decline” of the increment and stock of accounts receivable for the first time. In terms of the modern building materials business, the Company continued to expand the layout of advantageous industries, integrated industrial chain resources, created an integrated marketing model, and expanded the service scope of “Tiantan Decoration”. The non-housing construction market business accounted for over 60%.

Property development and operation segment: In terms of the property development business, the Company adhered to the main work line of “stabilizing project profits, preventing risks by de-stocking and improving development quality”, actively promoting the overall utilization of its own land and accelerating de-stocking. The Company carefully selected the best land, and successively acquired four high-quality plots of Chaoyang Shibalidian, Fengtai Science and Technology Park, Tongzhou Tuqiao and Tangshan Machinery Factory, with a total increase in land reserves of about 273,000 square meters (equity area) during the year. In terms of the property management business, the Company timely adjusted its business strategy. The occupancy rate of office buildings was higher than the market average, and the operation of industrial parks and hotel for vacations was steadily improved. The Company made a new breakthrough in the revitalization of existing assets, and obtained the official reply for registration from the CSRC and the letter of no objection from the Shanghai Stock Exchange for the issuance of the Publicly Traded REIT of Intelligent Manufacturing Workshop.

CHAIRMAN'S STATEMENT

In 2024, the Company adhered to the drive by innovation and accelerated transformation and upgrading. The product atlas of the new materials industry continued to expand, and the income scale gradually increased. The “National Key Laboratory of Recycling and Low-Carbon Regeneration of Materials” successfully completed its reorganization. The Company released the innovative achievement of “BBMG · Xingyi” folding combined building for the first time. The Company was granted 458 patents in the whole year, and nine provincial-level “technologically advanced” enterprises, seven national-level high-tech enterprises and two provincial-level manufacturing individual champion enterprises were newly certified. The Company formulated a green and low-carbon transformation plan, and issued the Measures for the Management of Carbon Emission Rights. Eleven enterprises were rated as heavy pollution weather performance A-level/leading enterprises, and five enterprises were rated as national-level green factories. In 2024, BBMG was selected among the Beijing-Tianjin-Hebei Pioneer 50 of China ESG Listed Companies and the Top 10 ESG Cases of Beijing State-Controlled Listed Companies, and its environment, society and governance continued to be in a leading position in the domestic building materials industry.

Prospect

At present, the world's evolution of the changes unseen in a century is accelerating, the external environment is becoming more complicated and severe, the unilateralism and protectionism are intensifying, the momentum of world economic growth is insufficient and tariff barriers are increasing. The foundation of China's economic recovery remains unstable, with effective demand still insufficient, particularly in the consumption, which remains sluggish. The building materials industry is still characterized by “continuous decline in demand”, and the overall real estate market is still in continuous adjustment. The Group should not only face up to the difficult problems, but also seize the new strategic development opportunities. Firstly, in 2025, China will issue RMB1.3 trillion of ultra-long-term special treasury bonds and arrange RMB4.4 trillion of special bonds for local governments, proceeds from which will be mainly used for investment and construction, land acquisition and storage and other projects. This initiative will more vigorously support the “implementing of major national strategies and enhancement of security capacity in key areas” and provide strong support for the demand for building materials. Secondly, China will strengthen the implementation of a series of favorable policies for transforming the villages in cities and dilapidated houses, adjusting and reducing the restrictive measures by implementing different policies in different cities, rationally controlling the supply of new real estate land, promoting the purchase of existing commodity housing, and writing “good houses” into the government work report for the first time. This will fully release the potential of the rigid and improved housing demand, further accelerate de-stocking, and provide strong support for the real estate market to stop falling and stabilize.

CHAIRMAN'S STATEMENT

Faced with the above challenges and opportunities, the Group will act on the principle of “seeking progress while maintaining stability, promoting stability through progress, and innovating while upholding integrity”, continue to implement the work requirements of the “One High, Double Win, Three Coordination” (一高雙贏三統籌), and closely focus on the primary task of “Breakthrough Year of High-quality Development” to comprehensively complete all the goals and tasks in 2025 with high quality.

Modern green building materials segment: In terms of the cement business, the Company will strengthen regional collaboration, implement differentiated marketing strategies, lead the industry self-discipline and enhance economic benefits. The Company will increase the reserve of high-quality mine resources, explore the implementation path of overseas development, steadily expand the industrial chains for aggregate, commercial mixture, new energy and environmental protection industries, continue to promote mergers and acquisitions in key areas, and consolidate the leading position in Beijing-Tianjin-Hebei and even the northern industries. In terms of the concrete business, the Company will actively expand the new track of concrete prefabricated product parts and deeply cultivate the high-end field of new concrete materials. In terms of the modern building materials business, the Company will focus on functional building materials, accelerate the large-scale development of new material industry, and promote the quality and efficiency improvement of advantageous industries. The Company will adhere to the “dual driving forces” of scientific and technological innovation and merger and acquisition integration, incubate the frontier new material industry, and create the third growth pole.

Property development and operation segment: In terms of the property development business, the Company seized policy opportunities, actively participated in urban renewal and the construction of government-subsidized housing and improved housing, and created a new business development model. The Company continuously improved the product strength, and “strongly controlled” the regional market with a series of BBMG’s “good houses” products. The Company formulated personalized plans, accelerated the revitalization and de-stocking of existing products, and effectively prevented operation risks. In terms of the property management business, the Company continuously improved the service quality, and further improved the operating quality and efficiency of various businesses such as buildings, hotels, commercial complexes and parks.

CHAIRMAN'S STATEMENT

Appreciation

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

Jiang Yingwu*Chairman & Executive Director*

Beijing, the PRC

28 March 2025

MANAGEMENT DISCUSSION & ANALYSIS



BBMG 金隅



2024

MANAGEMENT DISCUSSION & ANALYSIS

PARTICULARS OF THE INDUSTRIES IN WHICH THE COMPANY OPERATED AND PRINCIPAL BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD**(I) Industries of the Company****(1) Cement industry**

According to the Statistical Communique on the 2024 National Economic and Social Development issued by the National Bureau of Statistics of China, in 2024, the total fixed assets investment in the PRC was RMB52,091.6 billion, representing an increase of 3.1% over last year. Fixed assets investment (excluding farmers) was RMB51,437.4 billion, increased by 3.2%, of which the infrastructure investment increased by 4.4% and the real estate development investment decreased by 10.6%. The aggregate output of cement for sizable enterprises amounted to 1.825 billion tonnes, representing a year-on-year decrease of 9.5%. The cement output has reached its lowest level in fifteen years. According to Digital Cement (數字水泥網), from the perspective of cement supply and demand, the demand for cement continued to shrink and the capacity utilization rate decreased. The cement price throughout the year showed a trend of sluggishness in the first half year, followed by a gradual recovery in the second half year, with frequent fluctuations. The cement price witnessed a low at the beginning to high thereafter with fluctuations and adjustments in the medium to low range, and the decline in profits for the industry significantly narrowed.

(2) Property development industry

In 2024, the overall real estate market in China continued to show an adjustment trend. As the Political Bureau meeting of the Central Committee clearly proposed to “promote stability and recovery in the real estate market”, the real estate market has witnessed an increase in positive changes under the influence of a series of policies, leading to a gradual boost in the market confidence.

According to the data of the National Bureau of Statistics, in 2024, the investment in real estate development in China was RMB10,028.0 billion, representing a decrease of 10.6% over last year. Among them, the investment in residential properties was RMB7,604.0 billion, representing a decrease of 10.5%. The construction sites for corporate use of real estate developers were 7,332.47 million sq.m., representing a decrease of 12.7% over last year, among which 5,133.30 million sq.m. were area of construction sites for residential properties, representing a decrease of 13.1%. The area of newly commenced construction of real estates was 738.93 million sq.m., representing a decrease of 23.0%. Of this, the area of newly commenced construction of residential properties was 536.60

MANAGEMENT DISCUSSION & ANALYSIS

million sq.m., representing a decrease of 23.0%. The area of completed real estate was 737.43 million sq.m., representing a decrease of 27.7%. Of this, the area of completed residential properties was 537.41 million sq.m., representing a decrease of 27.4%. The area of sold commodity housing was 1,117.35 million sq.m., representing a decrease of 8.5% over last year, among which the saleable area of residential properties decreased by 8.2% over last year. The sales of commodity housing amounted to RMB9,675.0 billion, representing a decrease of 17.1%. Of this, the sales of residential properties decreased by 17.6%. As at the end of 2024, the area of commodity housing for sales was 753.27 million sq.m., representing an increase of 10.6% compared with last year. Of this, the area of residential properties for sales increased by 16.2%.

(II) Business of the Company during the Reporting Period

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

Modern green and environmentally-friendly building materials manufacturing business: With cement as its core product, the Company has formed a complete industrial chain of building materials that is compatible with upstream and downstream businesses, which covers concrete, wall body and insulation materials, prefabricated building system and parts and furniture and woods, as well as an interactive mechanism that includes products and services such as decoration, architectural design and main construction contract of installations, creating a coordinated development pattern for the whole industrial chain. Currently, the production capacity of clinker amounted to approximately 110 million tonnes; the production capacity of cement amounted to approximately 180 million tonnes; the production capacity of ready-mixed concrete amounted to approximately 62 million cubic meters while the aggregate production capacity amounted to approximately 86 million tonnes and the production capacity of grinding aids and admixtures approximated 0.24 million tonnes, respectively. Its annual capacity for disposal of hazardous wastes and solid wastes was over 5.55 million tonnes (including construction waste). The Company's building materials products and construction and installation services were widely used in the construction of key projects, such as the Beijing's urban sub-center, Xiong'an New District and the Winter Olympic Games, and extended to popular areas such as East China, Northeast, Sichuan-Chongqing and South China, which fully demonstrated the strength of BBMG's modern building materials business in terms of brand, quality and industrial chain and enhanced systematic application and coordinated marketing of its products.

MANAGEMENT DISCUSSION & ANALYSIS

Equipment manufacturing and trading services business: The Company is capable to provide construction and service for the whole industrial chain services, 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, automatic control and intelligent operation and maintenance system, heaving castings with piece weight of 10-150 tonnes and precision casting with piece weight of 0.01kg to 30kg, have reached the advanced level in the industry. Under the premise of controllable risks, the Company will improve the supply chain network configuration and asset layout, and continue to improve and strengthen the international trade and building materials and commerce logistics business.

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

Property development business: The Company developed approximately 170 property projects with a total gross floor area over 30.0 million sq.m. At present, the Company has made its presence in 17 cities including Beijing, Shanghai, Tianjin, Chongqing, Hangzhou, Nanjing and Suzhou, developing a nationwide business presence “from Beijing to three major economic rims, namely Beijing-Tianjin-Hebei region, Yangtze River Delta and Chengdu-Chongqing region”.

Property management business: At present, the Company holds investment properties of the area of 3,144,100 sq.m. such as high-end office buildings, commercial and industrial parks, of which 1,317,400 sq.m. are grade B and above high-end investment properties in core areas in Beijing, and manages properties inside and outside Beijing of the area of 19.09 million sq.m.. Its professional capabilities, brand awareness, occupancy rate and revenue have led the industry in Beijing and even the PRC for years.

MANAGEMENT DISCUSSION & ANALYSIS

Summary of Financial Information

	2024	2023	Change
	<i>RMB'000</i>	<i>RMB'000</i>	
Operating revenue	110,711,819	107,955,680	2.6%
Operating revenue from principal business	109,754,864	107,068,654	2.5%
Gross profit of principal business	10,884,697	11,518,182	-5.5%
Gross profit margin of principal business	9.9%	10.8%	Decrease of 0.9 percentage point
Net (loss)/profit attributable to the shareholders of the parent company	(555,162)	25,263	-2,297.5%
Basic (losses)/earnings per share attributable to the shareholders of the parent company (before deducting other equity instrument interests)	RMB(0.050)	RMB0.002	-2,600.0%
Basic losses per share attributable to the shareholders of the parent company (after deducting other equity instrument interests)	RMB(0.15)	RMB(0.08)	87.5%
Cash and bank balances	18,292,078	17,332,117	5.5%
Current assets	133,195,465	141,074,341	-5.6%
Current liabilities	96,778,952	117,604,713	-17.7%
Net current assets	36,416,513	23,469,628	55.2%
Non-current assets	130,800,256	128,604,798	1.7%
Non-current liabilities	75,099,447	57,710,055	30.1%
Total assets	263,995,721	269,679,139	-2.1%
Equity attributable to the shareholders of the parent company	73,717,500	73,007,025	1.0%
Debt ratio (total liabilities to total assets) (%)	65.1	65.0	Increase of 0.1 percentage point

MANAGEMENT DISCUSSION & ANALYSIS

Summary of Business Information

	2024	2023	Change
1. Modern green building materials segment			
Aggregate sales volume of cement and clinker (in million tonnes)	84.40	93.24	-9.5%
Sales volume of ready-mixed concrete (in million cubic metres)	12.38	13.87	-10.7%
2. Property development and operation segment			
Booked gross-floor area ("GFA") (in thousand sq.m.)	1,102.7	1,165.8	-5.4%
Contracted sales GFA (in thousand sq.m.)	672.2	1,133.6	-40.7%
GFA of investment properties (in thousand sq.m.)	2,621.7	2,516.5	4.2%

In 2024, the Group thoroughly implemented the work requirements of the "One High, Double Win, Three Coordination" (一高雙贏三統籌), took the "Efficiency Improvement Year" as the theme, made every effort to stabilize operations, increased efficiency, laid a foundation and promoted transformation, withstood downward pressure and overcame difficulties and challenges. Through the joint efforts of all cadres and employees, the overall economic operation of the Group made steady progress, and new progress and new achievements were made in all work.

During the Reporting Period, the Company recorded operating revenue of approximately RMB110,711.8 million, of which operating revenue from its principal business amounted to approximately RMB109,754.9 million, representing a year-on-year increase of approximately 2.5%; total profit amounted to approximately RMB456.1 million, representing a year-on-year increase of approximately RMB155.7 million or approximately 51.8%; net loss amounted to approximately RMB1,534.2 million, representing a year-on-year increase of approximately RMB246.8 million or 19.2%; and net loss attributable to the shareholders of the parent company amounted to approximately RMB555.2 million, as compared with net profit attributable to the shareholders of the parent company of approximately RMB25.3 million for the same period of last year.

MANAGEMENT DISCUSSION & ANALYSIS

1. Modern Green Building Materials Segment

In terms of the cement business, the Company focused on lean operation and strove to reduce costs and increase efficiency. The Group steadily promoted the merger and reorganization of key areas and the extension of industrial chains, accelerated the construction of a unified internal market, implemented accurate peak shifting, and made every effort to stabilize quantity and re-quote or adjust the price. In terms of the concrete business, the Company focused on improving quality and increase efficiency, strengthened management internally and expanded the market externally. The Company carried out special actions to control costs and accounts receivable, the control of costs and fees was effective, and the control level of accounts receivable was steadily improved. In terms of the modern building materials business, the Company integrated industrial chain resources, created an integrated marketing model, and expanded the “Three Major Projects”, the home decoration market and the high value-added segmented market. The proportion of the non-housing construction market business continued to increase. In terms of the high-end equipment manufacturing industry, the Company made every effort to explore the external market, strengthened the marketing of the whole industry chain, implemented refined management and continuously enhanced the competitiveness of products. In terms of the commerce and logistics business, the Company continued to strengthen risk prevention and control, optimized business layout and product structure, and continuously improved the quality of development.

During the Reporting Period, the Company recorded operating revenue from its principal business of modern green building materials segment of approximately RMB78,264.8 million, representing a year-on-year decrease of approximately 2.1%, and the gross profit of its principal business of modern green building materials segment was approximately RMB7,205.3 million, representing a year-on-year increase of approximately 12.7%. During the Reporting Period, the sales of cement and clinker was approximately 84.40 million tonnes (exclusive of approximately 6.36 million tonnes from joint ventures and associates of the Company), representing a year-on-year decrease of approximately 9.5%, among which the sales of cement amounted to approximately 75.47 million tonnes (exclusive of approximately 6.18 million tonnes from joint ventures and associates), representing a decrease of approximately 12.6% as compared with the same period of last year, and the sales of clinker amounted to approximately 8.93 million tonnes (exclusive of approximately 0.18 million tonnes from joint ventures and associates), representing an increase of approximately 29.3% as compared with the same period of last year. The aggregated gross profit margin of cement and clinker was approximately 15.9%, representing a year-on-year increase of approximately 7.0 percentage points. The sales volume of concrete business amounted to approximately 12,379,000 cubic meters, representing a year-on-year decrease of approximately 10.8%, and the selling price of concrete was RMB301.9 per cubic meter, representing a year-on-year decrease of approximately RMB46.8 per cubic meter. The gross profit margin of concrete was approximately 7.5%, representing a year-on-year decrease of approximately 5.4 percentage points. Tiantan decoration business achieved contracted amounts of approximately RMB2,024.0 million, representing a year-on-year increase of approximately 97.0%.

MANAGEMENT DISCUSSION & ANALYSIS

2. Property Development and Operation Segment

In terms of the property development business, the Company adhered to the main work line of “stabilizing project profits, preventing risks by de-stocking and improving development quality”, and completed and delivered 9,890 residential housings throughout the year, with 120,000 square meters of non-residential buildings sold.

In 2024, the Company acquired the use right of four parcels of state-owned construction land. The details are as follows:

No.	Name of projects (parcel of land)	Location	Use of land	Land area of the project (m ²)	Planned plot ratio area (m ²)	Land price (RMB million)	Method of acquisition	Date of acquisition (yy-mm-dd)	Percentage of ownership
1	R2 class 2 residential land at Plot 1303-686 and A334 land for nursery and kindergarten at Plot 1303-687 of primary land development projects of Chaoyang Port Phase 1, Shibaldian, Chaoyang District, Beijing	Shibaldian, Chaoyang District	Residence, nursery and kindergarten	47,662	125,853	6,380.00	Listing	2024.6.25	100%
2	R2 class 2 residential land at Plot 1516-60 of phase III project in the east area of Fengtai Park, Zhongguancun Science Park, Fengtai District, Beijing	Kandan Street, Fengtai District	Residence	21,608	54,019	2,700.00	Listing	2024.10.31	100%
3	R2 class 2 residential land at Plot FZX-0202-6025 of shantytown renovation project to the west of Tuqiao Middle Road, Tongzhou District	Linheli Street, Tongzhou District	Residence	21,536	47,379	1,196.00	Listing	2024.11.5	100%
4	Plot A-03 of Tangshan Mining & Metallurgical Machinery Plant	To the west of Gangyao Road and the north of Jianhua East Road, Lubei District, Tangshan	Residence	52,696	84,313	505.46	Auction	2024.12.17	55%
Total (equity)				119,788	273,624	10,554.00			

MANAGEMENT DISCUSSION & ANALYSIS

The Table of Land Reserve of the Group as at 31 December 2024

No.	Project Name	Geographical Location	Land Reserve Area (thousand sq.m.)	Percentage of the Group's Interest (thousand sq.m.)
		Total	100%	5,970.7
	Commodity housing	Subtotal	97%	5,776.3
1	Chongqing-Xinduhui	Chayuan, Nan'an District, Chongqing	1,694.5	100.00%
2	Tangshan-Metallic mine	To the west of Gangyao Road, to the east of planned road and to the north of Jianhua Road	305.1	100.00%
3	Qingdao-Jimo JY18-(18-21)	To the east of Yanqing Grade I Road and to the north of Liaohe First Road, Chuangzhi New District, Jimo District, Qingdao	287.6	100.00%
4	Tianjin-Beichen project	Intersection of Wenqing Road and Chaoyang Road, Beichen District, Tianjin	267.9	100.00%
5	Tianjin-Jinzhong Dong Li Jin (Gua) 2018-149	Northwest side of the intersection of Jinzhong Road and Zhujie Road, Dongli District	251.8	100.00%
6	Tianjin-Airport plot	Airport Economic Area, Tianjin	227.4	100.00%
7	Chongqing-Nanshanjun	Nanshan, Nan'an District, Chongqing	225.8	100.00%
8	Chongqing-Times Metro	Chayuan, Nan'an District, Chongqing	159.8	100.00%
9	Beijing-Shibalidian Plots 686 and 687	Chaoyang Port, Shibalidian, Chaoyang District, Beijing	137.4	100.00%
10	Tangshan-Qixin C02 plot	South of Beixin Road, west of Douhe River and north of Xinhua Road	116.7	100.00%
11	Tangshan-Metallic A03	To the west of Gangyao Road, to the east of planned road and to the north of Jianhua Road	84.3	100.00%
12	Tianjin-Beichen Plot 2021-013	Northwest side of the intersection of Xinfeng Road and Tianhe Road, Beichen District	81.5	100.00%
13	Beijing-Changping Piangfang	Pingfang Village, Beiqijia Town, Changping District, Beijing	219.3	35.02%

MANAGEMENT DISCUSSION & ANALYSIS

**The Table of Land Reserve of the Group as at 31 December 2024
(Continued)**

No.	Project Name	Geographical Location	Land Reserve Area (thousand sq.m.)	Percentage of the Group's Interest (thousand sq.m.)
14	Tangshan-Qixin C03 plot	South of Beixin Road, west of Douhe River and north of Xinhua Road, Lubei District	71.4	100.00%
15	Nanjing-Changzhou Zhonglou plot	Plots located at the east of Yueji Road and north of Zonglv Road, Zhonglou District, Changzhou	69.3	100.00%
16	Tangshan-Qixin C-01	North of Xinhua East Road, Lubei District	63.0	100.00%
17	Chengdu-Dachengjun	Xihanggang Street, Shuangliu County, Chengdu	62.5	100.00%
18	Hefei-S1802	Tongling Road, Baohe District, Hefei	62.0	100.00%
19	Beijing-Fengtai Science Park	Northeast side of the intersection of Fanyang Road and Yuren South Road, Fengtai District	61.5	100.00%
20	Beijing-Beiqijia CP07-0203-0007	Beiqijia Town, Changping District	124.7	49.00%
21	Shanghai-Taopu plot	Plots 061-02 and 065-01, Taopu Technology Smart City, Putuo District, Shanghai	60.9	100.00%
22	Beijing-Tuqiao project	Linheli Street, Tongzhou District, Beijing	59.7	100.00%
23	Chengdu-High-tech District GX2016-16 (071)	Group 1 of Guandong Community, Group 7 of Yinglong Community and Group 5 of Xinhua Community, Zhonghe Street, High-tech District, Chengdu	59.5	100.00%
24	Shanghai-Dachengmingting	Juyuan New District, Jiading District, Shanghai	54.9	100.00%
25	Beijing-Naixi plot	Laiguangying North Road, Chaoyang District, Beijing	54.1	100.00%
26	Ningbo-Eastern New Town Project	Eastern core area of Eastern New Town	51.3	100.00%
27	Nanjing-Suzhou plot	East of Jinxi Street, south of Xiluo Lane and north of Zhongxin Road, Suzhou	84.0	60.00%
28	Chengdu-Longxihui salable portion	No. 168, Julong Road, Cuqiao Street, Wuhou District, Chengdu	48.2	100.00%

MANAGEMENT DISCUSSION & ANALYSIS

The Table of Land Reserve of the Group as at 31 December 2024 (Continued)

No.	Project Name	Geographical Location	Land Reserve Area (thousand sq.m.)	Percentage of the Group's Interest (thousand sq.m.)
29	Tangshan-Caofeidian New City E-02-2	To the south of Xingang Road and west of Qingshang River, Caofeidian New City	44.1	100.00%
30	Haikou-Yanguangjun	Street 17, Changbin, West Coast, Haikou	40.9	100.00%
31	Shanghai-Yangpu R-09 plot project	No. 115, Daqiao Street, Jiangpu Community, Yangpu District, Shanghai	34.0	100.00%
32	Beijing-Yizhuang X90	Hexi District, Beijing Economic-Technological Development Area	32.3	100.00%
33	Nanjing-Shangqinhuai G88 plot	Plots located to the north of Hanhou Road and west of Yulin Road, Moling Street, Jiangning District	62.8	49.04%
34	Beijing-Wangjing Star	Futong West Street, Chaoyang District, Beijing	30.6	100.00%
35	Beijing-Shangchengjun	Beiqijia	31.0	90.97%
36	Hefei-Shushan District SS202120 plot	To the south of Fanwa Road and to the west of Shegang Road, Shushan District, Hefei	54.0	51.11%
37	Hefei-Nanqi Garden	Shushan District, Hefei	24.8	100.00%
38	Ningbo-Yaojiang ship lock	Wenjiao Street, Jiangbei, Ningbo	24.6	100.00%
39	Chengdu-High-tech District GX2017-16(071)	Groups 7, 12 and 13, Yinglong Community, Zhonghe Street, High-tech District, Chengdu	23.8	100.00%
40	Others	–	327.3	–
	Policy-related Housing	subtotal	3%	194.4
1	Beijing-Jinlinjiayuan	Yancun Town, Fangshan District	101.7	100.00%
2	Beijing-Jin'gang Jiayuan	Tianzhu Town, Shunyi District	43.5	94.94%
3	Beijing-Anningzhuang	Anningzhuang, Qinghe, Haidian District	41.1	100.00%
4	Beijing-Chicken Farm	East of Jiancaichengzhong Road, Xisanqi, Haidian District	7.4	100.00%
5	Beijing-Linoleum factory	About 1 kilometers to the east of South Zhongzhou Road, Heyi Street, Fengtai District, Beijing	0.7	100.00%

MANAGEMENT DISCUSSION & ANALYSIS

In terms of the property management business, the Company proactively responded to challenges and focused on business operations, and the occupancy rate of office buildings outperformed the market average. The development resilience of science and technology parks continued to increase, the market heat of cultural and creative parks continued to maintain, and hotel and vacation operations improved while maintaining stability.

During the Reporting Period, the Company recorded operating revenue from its principal business of property development and operation segment of approximately RMB32,736.6 million, representing a year-on-year increase of approximately 15.2%, and the gross profit of its principal business of property development and operation segment was approximately RMB4,147.8 million, representing a year-on-year decrease of approximately 21.8%. The booked GFA was approximately 1,102,700 sq.m., representing a year-on-year decrease of approximately 5.4%, among which the booked GFA of commodity housing amounted to 978,400 sq.m., representing a year-on-year increase of approximately 14.8%, and the booked GFA of policy-oriented housing was approximately 124,300 sq.m., representing a year-on-year decrease of approximately 60.3%. The total contracted sales amount was approximately RMB13,470.0 million, representing a year-on-year decrease of approximately 42.0%, among which the aggregated contracted sales amount of commodity housing amounted to approximately RMB10,250.0 million, representing a year-on-year decrease of approximately 50.0%, and the aggregated contracted sales amount of policy-oriented housing amounted to approximately RMB3,220.0 million, representing a year-on-year increase of approximately 10.0%. The total contracted sales area was 672,200 sq.m., representing a year-on-year decrease of approximately 40.7%, among which the contracted sales areas of commodity housing amounted to 531,700 sq.m., representing a year-on-year decrease of approximately 44.8%, and the aggregated contracted sales area of policy-oriented housing amounted to 140,500 sq.m., representing a year-on-year decrease of approximately 17.4%. As at the end of the Reporting Period, the Company's land bank was 5,614,300 sq.m. on an attributable basis.

As at the end of the Reporting Period, the Company held approximately 2,621,700 sq.m. of investment properties such as high-end office buildings, commercial and industrial parks, with a consolidated average occupancy rate of 87% and a consolidated average rental unit price of approximately RMB4.4/sq.m./day. The grade B and above high-end investment properties held in core areas in Beijing totaled 846,000 sq.m., with a consolidated average occupancy rate of approximately 90% and a consolidated average rental unit price of approximately RMB9.5/sq.m./day.

MANAGEMENT DISCUSSION & ANALYSIS

RENTAL OPERATIONS OF THE MAJOR INVESTMENT PROPERTIES OF THE GROUP AS AT 31 DECEMBER 2024

Property Name	Location	Use	Gross area (thousand sq.m.)	Fair value (RMB million)	Rental unit price (RMB/sq.m./day)	Average occupancy rate (Note 1)	Unit fair value (RMB/sq.m.)	Expiration of the land use right (Year)	
Phase 1 of Global Trade Center	North Third Ring Road, Beijing	No. 36, North Third Ring East Road, Dongcheng District, Beijing	Commercial	108.0	3,889.5	9.7	90%	36,014	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	4,556.8	9.3	97%	32,318	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	1,443.0	8.7	78%	25,316	2058
Tengda Plaza	West Second Ring Road, Beijing	No. 169, Xizhimenwai Street, Haidian District, Beijing	Commercial	68.0	2,043.0	7.8	90%	30,044	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	9.7	87%	39,707	2058
Jin Yu Building Tower B	West Second Ring Road, Beijing	No. 129, Xuanwumen West Street, Xicheng District, Beijing	Commercial	41.0	1,576.6	9.9	67%	38,454	2052
Building Materials Trading Tower, Jianda Building	East Second Ring Road, Beijing	No. 14, Dongtucheng Road, Chaoyang District, Beijing	Commercial	59.0	1,139.0	6.4	82%	19,305	Note 2, 3
Huan Bohai Golden Shore Shopping Mall	Hexi District, Tianjin	No. 473, Jiefang South Road, Hexi District, Tianjin	Commercial	302.0	2,421.3	1.8	89%	8,039	2060
Yucheng Building	North Fourth Ring Road, Beijing	No. 27 Courtyard, North Fourth Ring Middle Road, Chaoyang District, Beijing	Commercial	137.0	5,684.7	8.8	32%	41,494	Note 2
Phase 1 of Hi-tech Industrial Park	South Sixth Ring Road, Beijing	No. 3 Courtyard, Qingxiang North Road, Daxing District, Beijing	Commercial	122.0	1,036.4	2.2	96%	8,495	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	576.0	2.4	46%	5,703	2058
Subtotal				1,177.0	25,994.3				
Other properties	Beijing and Tianjing Municipality			1,444.7	19,055.8				
Total				2,621.7	45,050.1	4.3	83%	17,184	

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

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

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

MANAGEMENT DISCUSSION & ANALYSIS

ANALYSIS OF BUSINESS, ASSETS, LIABILITIES AND CASH FLOWS FOR THE REPORTING PERIOD**1. Principal business operations***Unit: RMB million*

	Operating revenue from principal business	Operating cost of principal business	Gross profit margin of principal business (%)	Increase or decrease in operating revenue from principal business compared with last year (%)	Increase or decrease in operating cost of principal business compared with last year (%)	Increase or decrease in gross profit margin of principal business compared with last year
Modern green building materials segment	78,264.8	71,059.5	9.2	(2.1)	(3.4)	Increase of 1.2 percentage points
Property development and operation segment	32,736.6	28,588.7	12.7	15.2	23.7	Decrease of 6.0 percentage points
Eliminations	<u>(1,246.5)</u>	<u>(778.0)</u>				
Total	<u>109,754.9</u>	<u>98,870.2</u>	9.9	2.5	3.5	Decrease of 0.9 percentage point

MANAGEMENT DISCUSSION & ANALYSIS

2. Investment properties measured at fair value

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

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

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

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

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

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

During the Reporting Period, the gains arising from changes in fair value of investment properties of the Group decreased by approximately RMB394.9 million or approximately 36.9% year-on-year to approximately RMB675.7 million, accounting for 148.1% of the profits before tax (accounting for 356.4% of the profits before tax for the same period of last year). The change was mainly due to the year-on-year decrease of valuation appreciation of investment properties held by the Company.

MANAGEMENT DISCUSSION & ANALYSIS

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

- (1) Selling expenses were approximately RMB2,333.3 million, representing a year-on-year decrease of approximately RMB64.6 million or approximately 2.7%.
- (2) Administrative expenses were approximately RMB6,648.4 million, representing a year-on-year increase of approximately RMB82.8 million or approximately 1.3%.
- (3) Finance costs were approximately RMB2,797.2 million, representing a year-on-year increase of approximately RMB521.7 million or approximately 22.9%.
- (4) Investment gains were approximately RMB1,063.1 million, representing a year-on-year increase of approximately RMB931.6 million or approximately 708.3%. Such increase was mainly due to the year-on-year increase of gains on investment in joint ventures and associates recognised by the Company during the Reporting Period.
- (5) Net reversal of credit impairment losses were approximately RMB222.2 million, as compared with the net credit impairment losses of approximately RMB123.8 million for the same period of last year. Such change was mainly due to the reversal of credit impairment loss of approximately RMB240 million in respect of accounts receivables of concrete of the Group during the Reporting Period.
- (6) Asset impairment losses were approximately RMB1,228.4 million, representing a year-on-year decrease of approximately RMB630.4 million or 33.9%. Such decrease was mainly due to the year-on-year decrease of provision of inventory impairment of the Company.

MANAGEMENT DISCUSSION & ANALYSIS

4. Analysis of assets and liabilities

Unit: RMB

Items	Amount at the end of the Reporting Period	Percentage of amount at the end of the Reporting Period over total assets (%)	Amount at the end of last period	Percentage of amount at the end of last period over total assets (%)	Change (%)	Explanations
Financial assets held for trading	1,172,593,404.61	0.44	550,397,005.33	0.2	113.05%	(1)
Bills receivable	807,322,521.79	0.31	613,180,024.79	0.23	31.66%	(2)
Accounts receivable	10,587,441,407.24	4.01	8,190,446,854.77	3.04	29.27%	-
Receivables financing	885,835,186.93	0.34	763,501,720.37	0.28	16.02%	-
Prepayments	3,106,818,812.94	1.18	2,019,452,127.40	0.75	53.84%	(3)
Other receivables	5,419,560,183.17	2.05	6,132,077,812.09	2.27	-11.62%	-
Inventories	83,656,491,773.69	31.69	95,810,062,788.10	35.53	-12.69%	-
Contract assets	489,245,361.82	0.19	235,605,433.62	0.09	107.65%	(4)
Non-current assets due within one year	766,358,369.93	0.29	696,330,818.56	0.26	10.06%	-
Debt investments	858,770,664.33	0.33	865,628,511.12	0.32	-0.79%	-
Long-term receivables	2,089,895,870.55	0.79	1,709,779,597.92	0.63	22.23%	-
Other non-current financial assets	489,561,240.56	0.19	369,093,598.93	0.14	32.64%	(5)
Long-term equity investments	9,358,406,745.44	3.54	9,188,694,018.61	3.41	1.75%	-
Investment properties	45,050,117,856.24	17.06	43,671,254,377.67	16.19	3.16%	-
Construction in progress	2,003,383,911.57	0.76	2,604,995,214.22	0.97	-23.09%	-
Right-of-use assets	946,709,363.05	0.36	977,373,084.17	0.36	-3.14%	-
Other non-current assets	307,307,411.42	0.12	460,393,602.36	0.17	-33.25%	(6)
Short-term loans	28,335,162,449.14	10.73	29,527,007,127.21	10.95	-4.04%	-
Bills payable	3,055,166,040.97	1.16	3,835,290,150.26	1.42	-20.34%	-
Accounts payable	20,944,153,978.57	7.93	18,524,373,921.94	6.87	13.06%	-
Receipts in advance	326,427,424.85	0.12	340,473,964.45	0.13	-4.13%	-
Contract liabilities	5,988,832,582.80	2.27	24,490,019,361.57	9.08	-75.55%	(7)
Wages payable	297,399,921.72	0.11	277,870,134.91	0.10	7.03%	-
Tax payable	1,204,735,864.89	0.46	973,367,636.46	0.36	23.77%	-
Other payables	6,660,906,438.99	2.52	6,352,234,808.50	2.36	4.86%	-
Non-current liabilities due within one year	20,823,307,618.07	7.89	22,401,174,031.96	8.31	-7.04%	-
Other current liabilities	3,116,401,307.48	1.18	4,864,609,522.05	1.80	-35.94%	(8)
Long-term borrowings	50,899,057,721.01	19.28	37,741,846,739.36	14.00	34.86%	(9)
Bonds payable	14,913,432,646.31	5.65	11,099,760,459.11	4.12	34.36%	(10)
Lease liabilities	458,491,118.63	0.17	500,532,265.14	0.19	-8.40%	-
Long-term payables	259,601,004.90	0.10	213,484,881.59	0.08	21.60%	-
Estimated liabilities	689,202,184.41	0.26	516,634,238.79	0.19	33.40%	(11)
Other equity instruments	30,457,376,000.00	11.54	27,468,376,000.00	10.17	10.88%	-

MANAGEMENT DISCUSSION & ANALYSIS

Explanations:

- (1) Financial assets held for trading: An increase of 113.05% from the beginning of the Reporting Period, mainly due to the fact that the Company continued to advance rational assets allocation and increase the investment in bonds and funds.
- (2) Bills receivable: An increase of 31.66% from the beginning of the Reporting Period, mainly due to the increase in the proportion of settlement for goods made by customers through bills.
- (3) Prepayments: An increase of 53.84% from the beginning of the Reporting Period, mainly due to the increase in the Company's prepayments for procurement.
- (4) Contract assets: An increase of 107.65% from the beginning of the Reporting Period, mainly due to the increase in the engineering construction projects of the Company.
- (5) Other non-current financial assets: An increase of 32.64% from the beginning of the Reporting Period, mainly due to the increase in investment in financial assets of the Company.
- (6) Other non-current assets: A decrease of 33.25% from the beginning of the Reporting Period, mainly due to the transfer of prepayments for projects and equipment of the Company to fixed assets during the Reporting Period.
- (7) Contract liabilities: A decrease of 75.55% from the beginning of the Reporting Period, mainly due to the recognition of real estate project.
- (8) Other non-current liabilities: A decrease of 35.94% from the beginning of the Reporting Period, mainly due to the decrease of accrued expenses for the settlement of land appreciation tax of the Company during the Reporting Period.
- (9) Long-term borrowings: An increase of 34.86% from the beginning of the Reporting Period, mainly due to the Company's continuous optimization of capital structure after taking into account the needs of its production and operation during the Reporting Period.
- (10) Bonds payable: An increase of 34.36% from the beginning of the Reporting Period, mainly due to the issuance of new bonds of the Company.
- (11) Estimated liabilities: An increase of 33.40% from the beginning of the Reporting Period, mainly due to the pending litigations of the Company.

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5. Cash flows

During the Reporting Period, a net increase of approximately RMB1,091.7 million in cash and cash equivalents was recognized in consolidated financial statements of the Company. Such increase was the combined effect of: (i) the net cash outflows generated from operating activities of approximately RMB5,316.1 million, as compared with net cash inflows of approximately RMB7,140.8 million for the same period of last year, which was mainly due to the year-on-year decrease of inflows from the operation of property projects during the Reporting Period; (ii) the net cash outflows generated from investment activities of approximately RMB2,008.7 million, as compared with net cash inflows of approximately RMB1,324.4 million for the same period of last year, which was mainly due to the year-on-year decrease of the amount for real estate cooperative projects received and amount collected from the disposal of assets by the Company during the Reporting Period; (iii) the net cash inflows generated from financing activities of approximately RMB8,413.9 million, as compared with the net cash outflows of approximately RMB4,463.2 million for the same period of last year, which was mainly due to the decrease in repayment of matured debts during the Reporting Period; and (iv) the exchange realignment of approximately RMB2.6 million.

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Core Competence Analysis

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

The core competitiveness of the Company is detailed as follows:

(I) Competitive edge in coordinated development of industrial chain

The Company has the advantage of a fully vertically integrated industrial chain. Each industry continues to form its own industrial chain with core competitiveness and industrial resilience to adapt to the new stage and new consumer needs. The Company accelerated horizontal integration of similar businesses and vertical integration of upstream and downstream of the industrial chain, solidly and detailedly implemented the “chain length system” working mechanism, promoted outward expansion with the integration of external market resources, built a BBMG industrial ecology based on the core industrial chain, vigorously cultivated industrial development clusters, and accelerated the construction of a modern industrial system with BBMG’s characteristics. BBMG was empowered with digital intelligence, and accelerated the transformation of manufacturing industry to service-oriented manufacturing. The Company formed the plan of the whole industrial chain of design, manufacturing, trade, construction, operation and maintenance, and service, manifesting the unique value advantage of the whole industrial chain and the advantage of all-round core competitiveness. In combination with the market situation, the Company intensified the development of civilian industry, seized the entrance of traffic with the guidance of brand strategy, and promoted the industrial transformation and upgrading. The one-stop whole house decoration service represented by Tiantan decoration won the trust and praise of consumers, realizing the deep integration of advanced manufacturing industry and modern service industry.

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(II) Competitive edge in science and technology innovation engine

The Company formulated a new round of “Three-year Action Plan for Tackling Scientific and Technological Innovation (2024-2026)” to further strengthen the core position of scientific and technological innovation in the overall development of the Company, guide the Company to improve the scientific and technological innovation capability in an all-round way, and build a good innovation and development ecology. The Company accelerated the deep integration of scientific and technological innovation with industrial innovation, and promoted the transformation and upgrading of traditional industries. The Company implemented the construction of “original technology source”, and increased scientific and technological innovation research in four directions of “green high-temperature refractories, low-carbon maintenance structure system and complete technology of folding combined building (smart construction), recycling technology of organic solid waste treatment and disposal, and carbon capture technology” in the three fields of “new materials, smart construction, energy conservation and environmental protection” to realize the industrialization of scientific and technological achievements. In 2024, the affiliated enterprises of the Company applied for 644 patents, including 150 invention patents; the affiliated enterprises won 16 provincial and ministerial science and technology awards, including 1 government science and technology award and 15 industry association awards recognized by the National Office for Science & Technology Awards; the Company obtained 39 software copyrights; nine provincial-level “technologically advanced” enterprises and seven national-level high-tech enterprises were certified.

(III) Competitive edge in green and sustainable development:

The Company seized the strategic opportunity of carbon emission peaking and carbon neutrality, insisted on being the pioneer and leader of “green, recycling and low-carbon” development, formulated the annual Implementation Plan for Green and Low-Carbon Transformation, and established a regular tracking mechanism to ensure the effective implementation of the “carbon neutrality and carbon emission peaking” planning. In combination with the new situation that the cement industry has been included into the national carbon market and the actual situation of the Group, the Company has formulated and issued the Measures for the Management of Carbon Emission Rights, established a supervision and inspection mechanism for energy conservation and carbon reduction, and realized closed-loop management. The Company completed the construction of the Group’s “Carbon Neutrality and Carbon Emission Peaking” Informatization Management Platform Phase I and completed the deployment in cement enterprises. The Company explored the carbon asset management mode and participated in the “first day trading” of the national greenhouse gas voluntary emission reduction trading market. The cement enterprises affiliated to the Company revitalized the local surplus carbon quotas to create profits, and realized low-cost performance and the preservation and appreciation

MANAGEMENT DISCUSSION & ANALYSIS

of carbon emission rights. The Company continued to optimize the energy structure, and the fuel substitution rate in the cement industry exceeded 11%. The Company built sixteen new photovoltaic projects and realized grid-connected power generation, with an additional installed capacity of 51.47 MW. The ultra-low energy buildings of Shanghai Yangpu Real Estate Project were completed. Jidong Haitian Cement Wenxi Co., Ltd. (冀東海天水泥聞喜有限責任公司) was selected into the list of “leaders” in energy efficiency in national key industries, Jidong Heidelberg (Jingyang) Cement Co., Ltd. (冀東海德堡(涇陽)水泥有限公司) was selected into the list of “leaders” of China industrial carbon emission peaking in 2024, 7 enterprises were selected into the list of national power demand side management demonstration enterprises (parks) in industrial fields, and several enterprises were rated as A-level (leading) enterprises with heavy pollution weather performance. The Company persistently promoted its high-quality development with high standard management, achieving the alignment of economic, social and environmental benefits.

(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 3.18%. The Company successfully issued bonds of RMB21.8 billion, and won the 2023 annual “Outstanding Issuer of Industrial Bonds” award issued by Shanghai Stock Exchange. The Company successfully issued five tranches of technology innovation corporate bonds with a total amount of RMB7.5 billion, with the lowest interest rate of 1.99%, setting a new low for the issuance interest rate. The Company successfully issued 10-year corporate bonds for the first time, achieving a new breakthrough in bond issuance. 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 a professional role in improving the overall capital operation efficiency of the Company, broadening financing channels and preventing capital risks, thus realizing the organic integration of industrial capital and financial capital. The Company played the role of a platform for listed companies, improved the overall financing efficiency and continuously consolidated the financial foundation for the healthy and sustainable development of the Company. The Company actively implemented the policy of tax reduction and fee reduction, and strove for various fiscal and tax concessions. 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.

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(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 Group's C-end brand strategies and promoted brand upgrading, demonstrating "BBMG" Brand power. "BBMG" Brand has been consecutively honored as a well-known trademark in Beijing. The Company ranked 64th in the list of 2024 (21st) "China's 500 Most Valuable Brands" with a value of RMB127.047 billion. Tiantan decoration brand actively participated in the sponsorship of sports events of China Open, and successfully enhanced its brand awareness through sports marketing strategy. Xincai Group's "folding building" technology has received widespread attention and acclaim inside and outside the industry, enhancing the brand image. Wanghai Innovation Studio of Zhuolu Jinyu Cement Co., Ltd. (涿鹿金隅水泥有限公司) won the title of "National Worker Pioneer". Nine enterprises or departments, including Jidong Cement Bishan Co., Ltd. (冀東水泥璧山有限責任公司), were awarded the titles of provincial and ministerial labor award, advanced collective and worker pioneer respectively. Thirteen employees of BBMG, including Zhao Chang'an, were awarded provincial and ministerial model workers and labor medals respectively. The Company has effectively enhanced the brand image of the Group and demonstrated the responsibilities and feelings of the Company by actively fulfilling its social responsibilities, fulfilling the obligation of rural revitalization and assistance, and carrying out environmental protection actions and public welfare donations. Good brand awareness and reputation have created a good cultural atmosphere and provided intellectual support for creating a new situation of BBMG's high-quality development.

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DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT**(1) Industry Pattern and Trend**

In 2024, in the face of the complex and severe situation with increasing external pressures and growing internal challenges, China's economy maintained overall stability while achieving stable progress, and the major objectives and tasks of economic and social development for the year were successfully accomplished. The high-quality development was solidly advanced with new quality productive forces developing steadily, and China's economic strength, technical strength and overall national strength continued to enhance. This fully showed that China's economy has a solid foundation, numerous advantages, robust resilience, great potential, and that the long-term favorable supporting conditions and basic trend remain unchanged.

Facing the complicated and changeable external environment, there are still three opportunities in the building materials and real estate industries.

Firstly, strengthen the expansion of domestic demand and continuously upgrade the strategy. The demands for urban renewal, renovation of old urban residential communities, renovation of villages in cities and improvement of living and inhabiting quality have been effectively released, continuing to promote the upgrading of traditional consumption. Strengthening the expected guidance of the real estate market and promoting the just-needed consumption of high-quality home decoration are conducive to the expected improvement of the building materials and real estate industries in the future and drive demand to bottom out and rebound.

Secondly, the development of a new round of scientific and technological revolution and industrial transformation is accelerating. The digital economy is bringing new impetus to global economic growth, and global economy is in a strategic opportunity period for nurturing and forming new quality productive forces. The application of large-scale models in the field of artificial intelligence has accelerated the updating iteration of new materials, new energy, biotechnology and digital technology, profoundly affecting all aspects of human life. The strong demand for computing power, algorithms and data broke out, accelerating the construction of new infrastructure and spawning new industries, new formats and new models.

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Thirdly, adhere to green and low-carbon development and optimize the energy structure. The formation of zero-carbon industrial system in the future is accelerating. The Company's main cement industry is a big carbon emitter, and is the first industry to benefit from the "carbon neutrality and carbon emission peaking". The Company will actively plan new energy projects, vigorously promote the substitution of raw materials and fuel materials, steadily and orderly promote the technological transformation of energy saving and carbon reduction, and accelerate the research on the application of hydrogen energy in industrial decarbonization, making a good technical reserve for carbon neutrality.

(2) The Company's Development Strategy

Guided by the development of the capital in the new era, the Company actively integrates into the new pattern of linkage development of Beijing's "five initiatives", serves the construction of the capital's "four centers", and continues to implement the work requirements of the "One High, Double Win, Three Coordination" (一高雙贏三統籌), aiming to promote the Company to achieve effective improvement in quality and reasonable growth in quantity, continuously improve its core competitiveness and core functions, and stimulate its development vitality and motivation.

Firstly, strengthen, optimize and expand main businesses on an ongoing basis. In terms of the building materials segment, the Company will explore markets externally and reduce costs internally, make solid efforts in the leading role of core regional markets such as the Beijing-Tianjin-Hebei region, create a value highland and take the lead in winning the "war of economic recovery". Besides, the Company will strengthen strategic reorganization and professional integration, improve the resilience of the Group's industrial chain supply chain, and coordinate the mine resource reserves, integration of regional markets, transformation of production lines with no or low efficiency and achievement of production and efficiency targets for new projects. In terms of the property development business, the Company will change the development mode, pay equal attention to improved housing and government-subsidized housing, deeply participate in urban renewal, seize the opportunity of "Three Major Projects" and expand the new path of real estate development. Besides, the Company will comprehensively strengthen the operation capacity of various businesses such as self-owned buildings, hotels, commercial complexes and parks, and continue to improve the service quality.

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Secondly, create new quality productive forces for new industrialization. The Company will lead industrial innovation with scientific and technological innovation and promote the deep transformation and upgrading of the industry. The Company will focus on its main responsibilities and main businesses to vigorously develop the new materials industry, and accelerate the construction of a modern industrial system with BBMG's characteristics. The Company will continue to refine the technological innovation mechanism, accelerate the transformation of scientific and technological innovation achievements into real productive forces, and achieve the goal of "constructing good houses and manufacturing good materials". The Company will adhere to green low-carbon development, vigorously promote the replacement of raw and fuel materials, and propel the technological transformation of energy conservation and carbon reduction in an orderly manner, with the aim to build technology reserves for achieving carbon neutrality. The Company will also accelerate the scenario-based innovation of intelligent factories, intelligent parks and digital supply chain, and fuel the transformation and upgrading of traditional industries with digital economy.

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

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

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

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

(3) Business Plan

In 2025, the Group will act on the principle of “seeking progress while maintaining stability, promoting stability through progress, and innovating while upholding integrity”, and continue to implement the work requirements of the “One High, Double Win, Three Coordination” (一高雙贏三統籌). With the theme of “Breakthrough Year of High-quality Development”, the Group will deepen the reform of state-owned enterprises, strengthen the leading with innovation, build a modern industrial system with BBMG characteristics, and strive to promote new breakthroughs in all the work of the Group, so as to comprehensively complete all the goals and tasks in 2025 with high quality.

MANAGEMENT DISCUSSION & ANALYSIS

(4) Possible risks**1. External environment risk**

The external environment facing China's current development is still intricate and complicated, and the profound changes unseen in a century are evolving rapidly in the world. Therefore, maintaining China's economic operation in a reasonable range still faces many challenges. Internationally, China-US conflicts and globalization countercurrents brought uncertainties, and the Company faced higher risks in import and export trade, which affected the product export and overseas investment. Domestically, the large-scale construction was changed to urban renewal, and the operation model was swiftly transformed from B-side to small B-side and C-side; the negative growth as well as aging and birthrate decline of domestic population accelerated, leading to the continuous decrease in the overall demand of building material and real estate industries; and the consumption pattern showed a rational, personal and one-stop convenient trend, resulting in changes in the consumption upgrade structure, and creating new market demand in civilian segments.

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

MANAGEMENT DISCUSSION & ANALYSIS

2. Policy risk

With the further implementation of the national “peak carbon dioxide emissions and carbon neutrality” strategy and the continuous implementation of the corresponding national and local policies, the cement industry has been hit by industrial policies for accelerated elimination of backward production capacity, reduction of coal and electricity consumption, dual control of carbon emissions and adjustment of transportation structure, and the building materials business will be affected to certain extent. The real estate industry policy continued to vigorously push the real estate market to stop falling and stabilize. The Company adjusted and reduced the restrictive measures by implementing different policies in different cities, and intensified the transformation of villages in cities and dilapidated houses, fully releasing the potential of the rigid and improved housing demand. The Company established relevant basic systems in an orderly manner and accelerated the construction of a new model of real estate development. To meet the high-quality living needs of the people, the Company improved the standards and norms, and promoted the construction of safe, comfortable, green and intelligent good houses.

Responses: In view of the above risks, the Company will pay close attention to cement policy changes and industry trends, take scientific and technological innovation as the driving force to promote traditional industries towards low-carbon and high-end development, actively explore new measures for energy conservation, emission reduction and carbon reduction, comprehensively accelerate the pace of green and low-carbon transformation, and reduce carbon emissions through measures such as production capacity replacement, improvement of energy utilization efficiency and improvement of the replacement rate of crude fuel. Besides, the Company will promote the application of advanced energy-saving and environmental protection technologies, and accelerate industrial transformation and upgrading through digital and intelligent transformation, so as to promote the Company’s green and low-carbon development. In terms of the real estate business, the Company will deeply analyze real estate-related policies, properly and fully use policy dividends, seize opportunities, adhere to the principle of “manufacturing good materials and building houses”, create a new model of real estate business development, actively participate in the construction of government-subsidized housing and urban renewal, revitalize land resources and accelerate collection of funds. The Company will strengthen sales through the “one project, one policy” system to effectively prevent and control operating risks. The Company will further enhance product strengths, and minimize costs to improve profitability through lean management.

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3. Capital operation risk

In 2024, the prudent monetary policy was precise and powerful, and the People's Bank of China intensified countercyclical regulation and used monetary policy tools to adjust both the monetary aggregate and the monetary structure. The People's Bank of China continued to increase the support for inclusive finance, green development, scientific and technological innovation, infrastructure construction and other key areas and weak links of the national economy, and comprehensively implemented policies to support coordinated regional development, creating a suitable monetary and financial environment for promoting the overall improvement of economic operation. However, China's macro leverage rate is still high and the risks of local debts and corporate debts are rising. These factors, together with external trade game, RMB depreciation and other factors, are placing greater financial pressure on the manufacturing and real estate industries.

Responses: The Company will continue to optimize the financing structure, expand financing channels, and raise funds at low cost to ensure the safety and stability of the Company's capital chain. The Company will strengthen the process control, carry out the special work of reduction of "accounts receivable and inventory", accelerate de-stocking and reduce accounts receivable. The Company will focus on deleveraging, strengthen the dual control of "debt scale and asset-liability ratio", establish and improve the early warning mechanism of debt risk, and ensure that the asset-liability ratio is controlled at a reasonable level. The Company will strictly control fund expenditure and rationally arrange the use of funds by closely focusing on the two indicators of operating efficiency and net cash flow from operating activities. Besides, the Company will give full play to the advantageous role of BBMG Finance Co., Ltd. (北京金隅財務有限公司) and BBMG Finance Lease Co., Ltd. (金隅融資租賃有限公司) to optimize the debt structure of the Company and protect the overall capital operation of the Company.

4. Market competition risk

In 2024, the cement industry encountered unprecedented difficulties, the effective market demand was weak in general, the selling price of cement and clinkers experienced significant year-on-year decline, and the sales volume also decreased year on year. Although the Company adopted measures to reduce costs and increase efficiency, the cost reduction failed to eliminate the impact of changes in sales volume and selling price, leading to more losses as compared to last year. The growth rate of investment in the real estate industry continued to decline, and the pressure to sell the inventories continued to increase. The real estate industry has changed from the "peak era" to the "quality era", necessitating higher quality of products and services.

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Responses: For the cement business, the Company should give play to the leading role of large enterprise, take the lead in implementing regulatory requirements and promote the building of a sound industry ecosystem. The Company will lay a solid foundation for market competition through whole-process lean operation and refined cost management and control, focus on the market traction in core areas such as Beijing, Tianjin and Hebei to create a value highland, and develop differentiated competitive strengths by means of product innovation, service optimization and brand building. The Company will adapt to situation changes by improving the market, strengthening the brand, innovating models and building a capable team. Besides, the Company will develop new quality productive forces and build a modern industry system with digital intelligent transformation and the application of green technologies. For the real estate business, the Company should make full use of favorable policies and efficiently promote de-stocking and fund recovery. The Company will insist on “manufacturing good materials and building good houses”, adopt a new model of “combining lease and sales”, and pursue the integrated development of government-subsidized housing, commodity housing and commercial properties. By extending the industrial chain, the Company will add modern metropolis service business, focus on the development of long-term rental, commercial properties operation and community property services, and understand customer demand to create a traffic entrance for civilian industries. The Company will also implement mutual empowerment between property development and BBMG’s household industry, provide personalized decoration and design services, enhance consumer stickiness and enhance the overall economic benefits of the Company.

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LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2024, the Group's total assets amounted to approximately RMB263,995.7 million, representing a decrease of approximately 2.1% from the beginning of the Reporting Period, of which liabilities amounted to approximately RMB171,878.4 million, minority interests amounted to approximately RMB18,399.8 million and total equity attributable to the shareholders of the parent company amounted to approximately RMB73,717.5 million. Total equity attributable to shareholders amounted to approximately RMB92,117.3 million, representing a decrease of approximately 2.4% from the beginning of the Reporting Period. As at 31 December 2024, the Group's net current assets were approximately RMB36,416.5 million, representing an increase of approximately RMB12,946.9 million from the beginning of the Reporting Period. Debt ratio (total liabilities to total assets) as at 31 December 2024 was approximately 65.1%, representing an increase of approximately 0.1 percentage point from the beginning of the Reporting Period.

As at 31 December 2024, the Group's cash and bank balances amounted to approximately RMB18,292.1 million, representing an increase of approximately RMB960.0 million from the beginning of the Reporting Period. During the Reporting Period, the Group generally financed its operations with internally generated resources, short-term financing bonds, perpetual bonds, corporate bonds, medium-term notes, private bonds and banking facilities provided by its principal bankers in the PRC. As at 31 December 2024, the Group's interest-bearing bank borrowings amounted to approximately RMB89,065.4 million (as at 31 December 2023: approximately RMB75,581.8 million) and bore fixed interest rates. Of these borrowings, approximately RMB38,166.3 million interest-bearing bank borrowings were due for repayment within one year, representing a decrease of approximately RMB326.3 million from the beginning of the Reporting Period. Approximately RMB50,899.1 million interest-bearing bank borrowings were due for repayment after one year, an increase of approximately RMB13,157.2 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.

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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 end of the Reporting Period, the Company has strictly complied with and fulfilled the above undertakings.

DISCLOSABLE TRANSACTIONS DURING THE REPORTING PERIOD

During the Reporting Period, the transaction of the Group that was required to be disclosed was set out as below:

On 1 March 2024, China Asset Management Co., Ltd* (華夏基金管理有限公司) and CITIC Securities Co., Ltd* (中信証券股份有限公司) submitted, among others, the application materials on the registration and listing of infrastructure REITs fund established under the pilot program of the China Securities Regulatory Commission and the National Development and Reform Commission (the "**Publicly Traded REITs**") to the China Securities Regulatory Commission and the Shanghai Stock Exchange. Upon completion of the spin-off and separate listing of the units of Publicly Traded REITs (the "**Spin-off**"), the Publicly Traded REITs will be held as to 35% and 65% by the Company and other public investors respectively. As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Spin-off is more than 5% but less than 25%, the Spin-off will constitute a disclosable transaction of the Company and will be subject to the reporting, announcement requirements under Chapter 14 of the Listing Rules. For details, please refer to the announcement dated 1 March 2024 and the section headed "SPIN-OFF" in this Annual Report below.

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On 25 September 2024, the Company successfully bid for the 11.816% of equity interest in the Tianjin Building Materials Group (Holding) Co., Ltd. (天津市建築材料集團(控股)有限公司) under the equity transaction agreement offered for sale by Tianjin Education Development Investment Co., Ltd. (天津教育發展投資有限公司) (“**Tianjin Education Development Investment**”) in the public tender process (the “**Public Tender**”) held by Tianjin Property Rights Exchange (the “**Tianjin Property Rights**”). For details, please refer to the section headed “CONNECTED TRANSACTIONS DURING THE REPORTING PERIOD” below.

On 13 December 2024, Tangshan Jidong Cement Co. Ltd. (a joint stock company established in the PRC with limited liability and a non-wholly owned subsidiary of the Company, the “**Purchaser**”), 48 natural persons and Chinese residents (collectively, the “**Seller**”) and Shuangyashan Xinshidai Cement Company Limited (雙鴨山新時代水泥有限責任公司) (a company established in the PRC with limited liability, the “**Target Company**”) entered into the equity transaction agreement (the “**Equity Transaction Agreement**”), pursuant to which the Purchaser has conditionally agreed to acquire and the Seller has conditionally agreed to sell 100% of equity interest in the Target Company (the “**Acquisition**”) at an aggregate consideration of RMB635,028,600 (the “**Consideration**”), and the Consideration will be funded by internal resources of the Group.

The Consideration is determined based on the appraised value of all equity interests of the Target Company of approximately RMB635,028,600 as at 31 May 2024 (the “**Valuation Benchmark Date**”) in the Asset Valuation Report as prepared by the valuer according to the asset-based approach. The Acquisition is conducive to the Company’s comprehensive and unified management of the Target Company (the Target Company and its subsidiaries collectively referred to as the “**Target Group**”) in terms of the development direction, business objectives, risk prevention and control, etc. The Target Company is based in the eastern area of Heilongjiang Province, with its main sales market in this area. Due to the mountainous barriers, the market is relatively closed and less impacted by external cement and clinker, making it a high-price area in Heilongjiang Province and even the entire Northeast region. The eastern area of Heilongjiang Province forms a market synergy with Jidong area of Heilongjiang Province, where the Company is located and whose market covers the central region of Heilongjiang Province, enhancing the Company’s influence in the Heilongjiang market. Furthermore, the Acquisition will prompt other local enterprises to engage in deeper cooperative synergy with the Company in this area, achieving a 1+1>2 effect, which is beneficial for transforming the Company’s key market area into a key profit area. Therefore, the Acquisition will enable the Company to exercise control over the Target Company and maximize the development of the Target Company, ultimately benefiting from the development of the Target Company. Considering that (i) the relevant regulatory authorities require that the Acquisition shall be based on fair market value or independent valuation; (ii) the Board has carefully reviewed the relevant basis, legal basis, assumptions and approaches of the aforementioned valuation, which are common and applied to comparable assets acquired and disposed of by other

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companies; and (iii) the independence, qualification, experience and the track record of the valuer, the Board considers that the valuation is a reasonable estimate of the equity interest in the Target Company as at the Valuation Benchmark Date, and the Consideration is appropriate and fair and reasonable, in the interests of the Company and the shareholders as a whole.

As one or more of the applicable percentage ratios under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in respect of the Acquisition exceeds 5% but all of the applicable percentage ratios are less than 25%, the Acquisition constitutes a disclosable transaction of the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules. No Director has a material interest in the Acquisition and none of them is required to abstain from voting on the relevant Board resolution to approve the Acquisition.

For details of the Equity Transaction Agreement and the Acquisition, please refer to the announcement of the Company dated 13 December 2024.

CONNECTED TRANSACTIONS DURING THE REPORTING PERIOD

During the Reporting Period, the connected transactions of the Group were set out as below:

- (1) On 29 April 2024, Tangshan Jidong Cement Co., Ltd. (“**Jidong Cement**”), a non-wholly owned subsidiary of the Company, entered into the equity transfer agreement with China-Africa Development Fund Co., Ltd. (“**China-Africa Development Fund**”), pursuant to which, Jidong Cement has conditionally agreed to acquire, and China-Africa Development Fund has conditionally agreed to sell the equity interest (the “**Target Equity**”) in China-Africa Jidong Building Materials Investment Co., Ltd. (中非冀東建材投資有限責任公司) (the “**Target Company**”) held by it at the consideration of approximately RMB200.1 million. Upon the completion of the equity transfer agreement, the Target Company was a 60% non-wholly owned subsidiary of the Company, and China-Africa Development Fund held the remaining 40% equity interest in the Target Company. As the Target Company is a subsidiary of the Company and China-Africa Development Fund directly holds 40% equity interest in the Target Company, China-Africa Development Fund is a substantial shareholder of the Target Company. Accordingly, China-Africa Development Fund constitutes a connected person of the Company. Therefore, the acquisition constitutes a connected transaction of the Company. As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the acquisition in relation to the equity transfer agreement exceeds 0.1% but is less than 5%, pursuant to Rule 14A.76(2)(a) of the Listing Rules, the acquisition is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. Upon acquisition of the Target Equity, Jidong Cement will hold the equity interest of

MANAGEMENT DISCUSSION & ANALYSIS

the Target Company and its subsidiary Mamba Cement Co., Ltd. ("**Mamba Cement**"), which shall enable the management right of Mamba Cement to be consistent with its equity interest, improve management and decision-making efficiency and continuously enhance the layout of overseas business of Jidong Cement and the Company. Meanwhile, the subsidiaries of the Target Company can be used as an overseas investment platform to build new production lines or invest in mergers and acquisitions in the African continent and other countries along the "Belt and Road", which will benefit the development of overseas cement business of the Group.

For details of the acquisition of the Target Equity from China-Africa Development Fund, please refer to the announcement of the Company dated 29 April 2024.

- (2) On 25 September 2024, the Company successfully bid for 11.816% of equity interest in Tianjin Building Materials Group (Holding) Co., Ltd. (天津市建築材料集團(控股)有限公司) (a company established in the PRC with limited liability and a 55% non-wholly owned subsidiary of the Company, "**Tianjin Target Company**") (the "**Target Equity**"), offered for sale by Tianjin Education Development Investment in the Public Tender held by the Tianjin Property Rights. Accordingly, on 25 September 2024, the Company and Tianjin Education Development Investment entered into the equity transaction agreement, pursuant to which the Company has agreed to acquire and Tianjin Education Development Investment has agreed to sell the Target Equity (the "**Acquisition of 11.816%**") at the Consideration of RMB979,944,224.19 (the "**Consideration**"), and the Consideration will be funded by internal resources of the Group.

The Consideration was equivalent to the reserve price of the Target Equity in the Public Tender. As the Company is the only bidder, the Consideration was arrived at as a result of successful bidding of the Target Equity. The reserve price was determined based on the valuation report (the "**Valuation Report**") prepared by the valuer in accordance with the asset-based approach by reference to the appraised value of the total equity of Tianjin Target Company of approximately RMB8,293.37 million (the "**Valuation**") as at 30 April 2024 (the "**Valuation Date**"). Since the Tianjin Target Company (the Tianjin Target Company and its subsidiaries collectively referred to as the "**Tianjin Target Group**") is an enterprise which engages in investment management and owns real estate, combined with the purpose of the Valuation and the assets and liabilities of Tianjin Target Company and its subsidiaries, the valuer adopted the asset-based approach to evaluate the Target Equity. Despite the Valuation represented an appreciation of approximately RMB768.71 million or approximately 10.22% over Tianjin Target Company's book value of net assets of approximately RMB7,524.66 million as at the Valuation Date, the Board considered that Tianjin Target Company have a strong development potential

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since Tianjin Target Company owns a significant amount of fixed assets including land and properties with more than 6 million square metres of self-owned land and more than 1.1 million square metres of self-owned properties located across Tianjin. The Board is of the view that the strong development potential of Tianjin Target Company is constituted by the following four factors. Firstly, with the development of Tianjin and the continuous centralization of economic activities in the PRC, the demand for land in Tianjin is expected to increase, providing a strong support for the growth of Tianjin Target Company's asset scale. Secondly, since the properties of Tianjin Target Company are self-owned properties, Tianjin Target Company will be able to renovate and upgrade the properties in accordance with market demand to attract high quality tenants which will subsequently improve its cashflow. Thirdly, the possession of high-quality land and properties give rise to Tianjin Target Company's market appeal and the Board expects it to attract future cooperation or investment from other companies. Last but not least, Tianjin Target Company could potentially securitize its land and properties and provide support to the financing activities of itself and the Company, and improve the cashflow of itself and the Company. Meanwhile, the controlling interest of the Company in Tianjin Target Group will be further increased, and the Company will obtain more seats on Tianjin Target Group's board of directors and the supervisory board, which is conducive to improving the decision-making power of the major business matters of Tianjin Target Group and ensuring the rapid and effective implementation. It is also conducive to the Company's comprehensive and unified management over Tianjin Target Group in terms of the development direction, business objectives, risk prevention and control, etc. As such, the Acquisition of 11.816% would allow the Company to control and maximize the development of Tianjin Target Company, and ultimately enjoy the benefits arising from Tianjin Target Company's development.

On 26 September 2024, the Company received the "State Property Rights Transaction Certificate" issued by Tianjin Property Rights in relation to the Acquisition of 11.816%. Upon completion of the Acquisition of 11.816%, the Company's equity interest in Tianjin Target Company shall increase from 55% to 66.816%, and Tianjin Target Company will continue to be a non-wholly owned subsidiary of the Company.

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As one or more of the applicable percentage ratios of the Listing Rules in respect of the Acquisition of 11.816% exceeds 5% but all of the applicable percentage ratios are less than 25%, the Acquisition of 11.816% constitutes a disclosable transaction of the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules. As Tianjin Education Development Investment (holding 45% of equity interest in Tianjin Target Company) is a substantial shareholder of Tianjin Target Company which is in turn a non-wholly owned subsidiary of the Company, therefore, Tianjin Education Development Investment is a connected person of the Company at the subsidiary level. Hence, the Acquisition of 11.816% constitutes a connected transaction under Rule 14A.25 of the Listing Rules. Pursuant to Rule 14A.101 of the Listing Rules, such connected transaction is exempted from the circular, independent financial adviser and shareholders' approval requirements insofar as the Company is concerned if (1) the Board has approved the transaction; (2) the independent non-executive Directors have confirmed that the terms of the transaction are fair and reasonable, the transaction is on normal commercial terms or better and in the interests of the Company and its shareholders as a whole. Accordingly, the Board has approved the Acquisition of 11.816% and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Acquisition of 11.816% are fair and reasonable, the Acquisition of 11.816% is on normal commercial terms or better for the Company. As such, pursuant to Rule 14A.101 of the Listing Rules, the Acquisition of 11.816% is only subject to the reporting and announcement requirements, but is exempted from the circular, independent financial adviser and shareholders' approval requirements under Chapter 14A of the Listing Rules insofar as the Company is concerned.

For details of the Acquisition of 11.816%, please refer to the announcements of the Company dated 30 September 2024 and 5 November 2024.

- (3) On 9 December 2024, the Company, Tianjin Education Development Investment and Tianjin Target Company entered into the capital reduction agreement (the "**Capital Reduction Agreement**") in relation to the reduction of approximately RMB1,001.198 million (the "**Capital Reduction Consideration**") in the registered capital of Tianjin Target Company by Tianjin Education Development Investment (the "**Capital Reduction**").

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After the completion of the Acquisition of 11.816% and before the Capital Reduction, Tianjin Target Company was a non-wholly owned subsidiary of the Company and is owned as to approximately 66.816% and approximately 33.184% by the Company and Tianjin Education Development Investment, respectively. After the Capital Reduction, the registered capital of Tianjin Target Company reduced from approximately RMB5,082.2235 million to approximately RMB4,081.0254 million, and is owned as to approximately 83.208% and 16.792% by the Company and Tianjin Education Development Investment, respectively. After the Capital Reduction, Tianjin Target Company remains a subsidiary of the Company while Tianjin Education Development Investment remains a substantial shareholder of Tianjin Target Company. After the Capital Reduction, the financial results of Tianjin Target Group continue to be consolidated into the consolidated financial statements of the Group.

The Capital Reduction Consideration is determined based on arm's length negotiation among the Company, Tianjin Education Development Investment and Tianjin Target Company with reference to the appraised value of Tianjin Target Company as at the Valuation Date. According to the valuation report issued by Beijing Tianjian Xingye Asset Evaluation Co., Ltd., an independent valuer, after the valuation on Tianjin Target Company using asset-based approach, the appraised value of the entire equity interests of shareholders of Tianjin Target Company as at the Valuation Date was approximately RMB8,293.37 million, therefore, 19.70% of the appraised value of the entire equity interests of shareholders is approximately RMB1,633.7933 million. Upon the completion of the Capital Reduction, the Company became the absolute controlling shareholder of Tianjin Target Company and its subsidiaries, and the Company obtained more seats on the board of directors and the supervisory board of Tianjin Target Company and its subsidiaries, which is conducive to improving the decision-making power of the major business matters of Tianjin Target Company and its subsidiaries and ensuring the rapid and effective implementation. It is also conducive to the Company's comprehensive and unified management over Tianjin Target Company and its subsidiaries in terms of the development direction, business objectives, risk prevention and control, etc. The Directors (including the independent non-executive Directors) of the Company consider that the Capital Reduction Agreement is entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better to the Group, and the terms thereof are fair and reasonable. Entering into the Capital Reduction Agreement is in the interests of the Company and its shareholders as a whole.

MANAGEMENT DISCUSSION & ANALYSIS

Since the Capital Reduction was conducted within 12 months after the completion of the Acquisition of 11.816%, the previous acquisition and the Capital Reduction were required to be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios under the Listing Rules in respect of the Capital Reduction, whether on standalone basis or when aggregated with the Acquisition of 11.816%, exceeds 5% but is less than 25%, the Capital Reduction constitutes a disclosable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. Pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, as the Capital Reduction and the Acquisition of 11.816% were entered into or completed within a 12-month period with the same party, the Capital Reduction and the Acquisition of 11.816% were required to be aggregated for the calculation of the relevant percentage ratios to determine the classification of the Capital Reduction. As at the date of the Capital Reduction Agreement, Tianjin Education Development Investment is a substantial shareholder of Tianjin Target Company, therefore, it is a connected person of the Company at the subsidiary level. Hence, the Capital Reduction Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Rule 14A of the Listing Rules. Pursuant to Rule 14A.101 of the Listing Rules, as (i) Tianjin Education Development Investment is a connected person of the Company at the subsidiary level; and (ii) the Board (including the independent non-executive Directors) has confirmed that the terms of the Capital Reduction are based on the fair market value and the independent valuation and are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and its shareholders as a whole, therefore, the Capital Reduction is subject to the reporting and announcement requirements, but is exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules. No Director has a material interest in the Capital Reduction and none of them is required to abstain from voting on the relevant Board resolution to approve the Capital Reduction.

For details of the Capital Reduction, please refer to the announcement of the Company dated 31 December 2024.

MANAGEMENT DISCUSSION & ANALYSIS

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

Save as disclosed in the above sections headed “DISCLOSEABLE TRANSACTIONS DURING THE REPORTING PERIOD” and “CONNECTED TRANSACTIONS 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 during the Reporting Period.

PLEDGE OF ASSETS

As at 31 December 2024, the Group’s cash and bank balances and certain inventories, bills receivable, construction in progress, investment properties, land use rights, equity interest and restricted cash arising from pre-sales of properties amounting to RMB32,064.4 million in aggregate (as at 31 December 2023: RMB27,517.9 million) were pledged to secure short-term and long-term loans of the Group, which accounted for approximately 12.1% of the total assets of the Group (as at 31 December 2023: 11.6%).

CONTINGENCIES

		As at 31 December 2024	<i>Unit: RMB</i> As at 31 December 2023
Provision of guarantee on housing mortgage to third parties	<i>Note 1</i>	5,389,952,018.45	7,998,223,302.70
Provision of guarantee on loans and others to third parties	<i>Note 2</i>	727,000,000.00	775,000,000.00
Provision of guarantee on loans and others to related parties	<i>Note 3</i>	425,000,000.00	608,389,590.51
		6,541,952,018.45	9,381,622,893.21

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

Note 2: Jidong Group, a subsidiary of the Group, provided a guarantee with joint obligations on the borrowings of RMB700,000,000.00 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. Zhejiang Jinyu Hangjia Green Building Technology Co., Ltd. (浙江金隅杭加綠建科技有限公司), a subsidiary of the Group, provided a guarantee with joint obligations on the borrowings of RMB27,000,000.00 for Wangying Ruyicang Supply Chain Co., Ltd. (網贏如意倉供應鏈有限公司). The guarantee will expire on 6 April 2025.

Note 3: The Company provided a guarantee for the bank loan project of Nanjing Huayu Real Estate Development Co., Ltd., an associate of the Group, with an amount of RMB350,000,000.00. The guarantee will expire in September 2029. Tangshan Jidong Cement Co., Ltd., a subsidiary of the Group, provided guarantees with joint obligations on six borrowings of RMB5,000,000.00, RMB10,000,000.00, RMB10,000,000.00, RMB15,000,000.00, RMB15,000,000.00 and RMB20,000,000.00, respectively, for Anshan Jidong Cement Co., Ltd., which will expire on 28 June 2025, 28 June 2025, 14 November 2025, 14 October 2025, 16 December 2025 and 26 May 2025, respectively.

COMMITMENTS

	As at 31 December 2024	<i>Unit: RMB</i> As at 31 December 2023
Contracted but not provided for:		
Capital commitments	617,694,269.02	917,589,823.48
Property development contracts	<u>3,304,521,419.90</u>	<u>5,771,393,707.41</u>
	<u>3,922,215,688.92</u>	<u>6,688,983,530.89</u>

The significant commitments made by the Group as at 31 December 2024 had been duly performed as previously undertaken.

MANAGEMENT DISCUSSION & ANALYSIS

ESTABLISHMENT AND IMPLEMENTATION OF THE INTERNAL CONTROL SYSTEM

The Group implemented the work deployment of deepening the new round of state-owned enterprise reform and upgrading, and promoted enterprises to continuously improve the construction of their internal control management systems and improve their ability to prevent and control major risks, so as to lay a solid foundation for their high-quality development.

Firstly, organize and carry out the activities of “repealing, modifying, formulating, editing and publicizing” systems, and further improve the management system of rules and regulations. On the basis of sorting out the risks of compliance obligations, the Group formulated the annual plan for repealing, modifying and formulating systems, updated 118 pieces of rules and regulations throughout the year, compiled a new edition of rules and regulations, totaling 1.06 million words, and built a rules and regulations system with the structure of “One Core, Two Horizontals and Three Verticals”. Besides, the Group innovatively conducted the Group’s rules and regulations training class in 2024, and organized various functional departments to give lectures on corporate governance, investment projects, brand management, accounting funds, human resources, production safety, energy conservation and environmental protection, bidding & tendering and procurement, equity management and accountability for illegal operations, thus laying a solid foundation for internal control and compliance management.

Secondly, update and compile the Group’s 2024 edition of Internal Control (Compliance) Management Manual, and further optimize the internal control process. The Group innovatively adopted the integrated control mode of internal control and compliance process, comprehensively sorted out the compliance obligations and review points of 267 internal control process links, added 318 tips of compliance review points, standardized and optimized 25 internal control compliance modules and 267 key business control sub-processes, and further embedded the internal control compliance requirements in key process links, so as to improve the actual effect of risk prevention and control.

Thirdly, accelerate the pace of digital intelligence transformation and strengthen the rigid constraints of risk management and control. In 2024, the Group accelerated the pace of digital intelligence transformation. The Group continued to optimize projects such as iterative audit management and financial analysis system, and promoted the construction of information projects such as “peak carbon dioxide emissions and carbon neutrality” management platform, financial sharing and digital archives. The Group strengthened overall planning and intensification, and published a list of common system application, so as to avoid repeated construction of systems. Besides, the Group vigorously promoted the construction of “One Cloud” and “One Network”, improved the collaboration efficiency of the information-based system, gradually realized the interconnection and organic integration of the internal control compliance system and the business information system, and empowered business management decisions and implementation activities.

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

MANAGEMENT DISCUSSION & ANALYSIS

SPIN-OFF

On 1 March 2024, China Asset Management Co., Ltd* (華夏基金管理有限公司) and CITIC Securities Co., Ltd* (中信証券股份有限公司) submitted, among others, the application materials on the registration and listing of the Publicly Traded REITs to the China Securities Regulatory Commission and the Shanghai Stock Exchange.

The Company chose the underlying assets in the Industrial Park of BBMG Intelligent Manufacturing Workshop in Xisanqi, Haidian District, Beijing (北京市海澱區西三旗金隅智造工場產權一期) as the underlying assets for the issuance of the Publicly Traded REITs. The Company has submitted the PN15 Application to the Stock Exchange in relation to the Spin-off. The Stock Exchange confirmed that the Company might proceed with the Spin-off.

The Spin-off only involved the issuance and listing of the units of the Publicly Traded REITs on the Shanghai Stock Exchange. Upon completion of the Spin-off, the Publicly Traded REITs was held as to 35% and 65% by the Company and other public investors respectively. Considering the Company's indirect control over the Underlying Assets, the financing amount, and the impact on the current asset-liability ratio and net profits as well as opinions of accounts, and the subscription of 35% of the units of the Publicly Traded REITs by the Company, the Publicly Traded REITs would not be consolidated into the consolidated financial statements of the Company. Instead, the financial statements of the Publicly Traded REITs would also be treated as investments in listed securities by the Company.

The Directors consider that the Spin-off will enable the Company to (i) enhance the Company's capital market influence through innovative capital operation models and (ii) broaden investment and financing channels to revitalize existing infrastructure assets.

The Spin-off obtained the approval of registration issued by the China Securities Regulatory Commission on 25 December 2024, and the publicly traded REITs has been listed on the Shanghai Exchange Stock since 26 February 2025. The Spin-off will realize the value of the Company's mature industrial park, further optimize the asset structure and improve the capital turnover efficiency and investment return; and certain proceeds will be invested in other industrial park projects, so as to facilitate a virtuous cycle of the Company's investment in infrastructure business and enhance the sustainable operating ability of the Company.

For further details, please refer to the announcements of the Company dated 1 March 2024 and 26 February 2025.

MANAGEMENT DISCUSSION & ANALYSIS

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On 28 March 2025, the senior management of the Company changed accounting estimates in relation to the depreciable life of fixed assets. Such change is expected to have an impact on depreciation expense of the Company in future period, and the specific amount of the impact will be subject to the carrying amount of fixed assets and changed depreciation policy. According to relevant provisions of the Accounting Standards for Business Enterprises, such change is a change in accounting estimate. It will be accounted for using the prospective application method and became effective on 1 January 2025. No retroactive adjustments on the previous financial statements are required.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, the Group had 43,825 employees in total (as at 31 December 2023: 44,885 employees). During the Reporting Period, the aggregate remuneration of the Group's employees (including Directors' remuneration) amounted to approximately RMB7,453.2 million (for the year ended 31 December 2023: RMB7,075.3 million), representing an increase of approximately 5.3%.

The Group deepened the implementation of the "five matching" review mechanism for remuneration, the "annual comprehensive evaluation result" linking mechanism and the "online salary calculation, financial department keeping accounts" payment mechanism. When determining the total salary of a subsidiary, the Group ensures that the per capita income level of the subsidiary matches the "industry, region, position, performance, and corresponding system and mechanism" one by one, and conducts market salary surveys through cooperating with intermediaries and having the subsidiary collect salary data. Based on the economic benefits and the profit-making per capita of the subsidiary, the Group determines the rate of raise or decrease in the per capita salary to determine the total annual salary of the subsidiary. The Group also linked remuneration management to "annual comprehensive evaluation results". The Group has established the Administrative Measures for the Comprehensive Evaluation of Subsidiaries, putting each subsidiary's annual evaluation results into four grades – "Excellent, Good, Qualified, and Poor". Based on the evaluation results, the Group determines the total salary quota for the year, achieving the management goal of linking the evaluation results of subsidiaries to the total salary. All subsidiaries calculate salaries online through the human resources information system and send vouchers through the financial system to achieve online management of the entire process of salary payment. We standardize the salary structure and salary mechanism through systems and supervise the income of employees at all levels and the use of total salary quota of the subsidiaries in real time, so as to avoid unreasonable increases in labor costs of subsidiaries and realize early warning and supervision.

MANAGEMENT DISCUSSION & ANALYSIS

TRAINING SCHEME

The Group thoroughly implemented the work requirements of the “One High, Double Win, Three Coordination” (一高雙贏三統籌), focused on the work theme of the “Efficiency Improvement Year”, and deepened the implementation of the strategy of strengthening the enterprise through talents, so as to promote the development and growth of talent team and improvement of the overall quality, and support the high-quality development of the Group. According to the principle of “unified planning, decentralized management and hierarchical responsibility”, the Company consolidated the talent training system, deepened and improved the training programs, organized and conducted trainings both online and offline, and created and shared learning resources. In 2024, a total of 3,414 training sessions were conducted for all enterprises, and the number of training participation was 170,000, including 38,000 of which involves operation management training, 45,000 of which involves professional technology training, 66,000 of which involves skilled craftsmen training and 21,000 of which involves the Party and masses training, totaling 1,700,000 courses hours. The annual training coverage rate reached 100%.

The Company held a “Three Gold” talent training class. Focusing on the construction of talent pipeline and personal long-term development, the Company highlighted the improvement of political quality, cultivation of leadership thinking, innovation of management methods and promotion of digital transformation, striving to achieve the goal of fully completing all the tasks in the whole year, building a world-class industrial group and entering the ranks of the world’s top 500 companies. The Company organized more than 640 newly employed college graduates with excellent work performance and high comprehensive quality to participate in the Group’s “Three Gold” talent training class. This training aimed to further broaden their horizons, strengthen their awareness, and improve their abilities, so that they can use what they have learned to put forward suggestions for the development bottlenecks and stranglehold problems encountered by the Company and turn the learning results into a powerful driving force for the high-quality development of the Company.

In 2024, the Group held 10 sessions of skill level certification training in total, with more than 1,000 participants. Skill certification training aims to cultivate and build a team of high-level skilled personnel, tap and forge the ability of industrial workers, broaden the development channels of front-line employees, strengthen internal strength, seek progress while maintaining stability, and meet the needs of the Company’s high-quality development. The training certification is carried out in the form of centralized teaching (theoretical knowledge) + practical exercise (professional skills) + certification assessment. Those who pass the assessment will obtain the vocational skill level certificates and enjoy the subsidy of skilled personnel policy.

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**EMPLOYEES OF THE PARENT COMPANY AND MAJOR SUBSIDIARIES
(AS AT 31 DECEMBER 2024)**

	Number of employees
Number of incumbent employees of the parent company	179
Number of incumbent employees of major subsidiaries	<u>43,646</u>
Total number of incumbent employees	<u>43,825</u>

Professional Structure

Category	Number of employees
Production staff	22,202
Sales staff	4,491
Technical staff	12,939
Financial staff	1,815
Administrative staff	1,934
Others	<u>444</u>
Total	<u>43,825</u>

Education Level

Category	Number of employees
Master's degree and above	1,551
Bachelor's degree	14,592
Junior college	10,401
Technical secondary school and below	<u>17,281</u>
Total	<u>43,825</u>

MANAGEMENT DISCUSSION & ANALYSIS

FOREIGN EXCHANGE RISK MANAGEMENT

The Group mainly operates its business in the PRC. During the Reporting Period, sales proceeds and procurement expenses of the Group were mainly denominated in RMB. Most of the Group's financial instruments such as accounts and bills receivable, cash and bank balances are denominated in the same currency or a currency that is pegged to the functional currency of the operations to which the transactions are related. Accordingly, it is believed that the Group has minimal foreign currency risks. The Group has not used any forward contract or currency borrowing to hedge its interest rate risks. Fluctuations of the exchange rates of foreign currencies did not constitute any major challenges for the Group nor had any significant effects on its operations or working capital during the Reporting Period. However, the management will continue to monitor foreign currency risks and adopt prudent measures as appropriate.

TREASURY POLICIES

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

REPORT OF THE DIRECTORS

The Directors have the pleasure in presenting to the shareholders their report of the directors and the audited financial statements of the Group for the year ended 31 December 2024. The Company was established and registered as a joint stock company with limited liability in the PRC under the Company Law of the PRC on 22 December 2005 and registered on 4 November 2009 as a non-Hong Kong company in Hong Kong under Part 16 of the Hong Kong Companies Ordinance. The H shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 29 July 2009. The A shares of the Company were listed on the Shanghai Stock Exchange on 1 March 2011.

Principal Activities

The principal activities of the Company are investment holding and property investment. The Group is principally engaged in the manufacture and sale of cement and modern building materials, property development, property investment and provision of property management services. The activities of the Group's principal subsidiaries are shown on pages 334 to 350. An analysis of the performance of the operating segments of the Group for the year by business segments is set out in Note XIII. 1 to the financial statements.

Results and Dividends

The results of the Group for the year ended 31 December 2024 and the financial position of the Group as at that date are set out in the financial statements on pages 149 to 150 and 146 to 148 of this Annual Report.

No interim dividend had been paid during the Reporting Period. The Directors recommend the payment of a final dividend of RMB0.05 per share (totaling approximately RMB533,888,600) for the year ended 31 December 2024 to the shareholders, subject to the approval of the shareholders of the Company at the forthcoming 2024 annual general meeting (the "2024 AGM").

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

REPORT OF THE DIRECTORS

Business Review

Details of the Group's business review as specified in Schedule 5 Rules 1 and 2 of the Hong Kong Companies Ordinance (Chapter 622) during the Reporting Period, including (i) the review of the Group's business; (ii) a description of the principal risks and uncertainties facing the Group; (iii) particulars of important events affecting the Company that have occurred since the end of the Reporting Period; (iv) an indication of likely future development in the Group's business; (v) an analysis using financial key performance indicators; (vi) a discussion on the Group's environmental policies and performance and the Group's compliance with the relevant laws and regulations that have a significant impact on the Group; and (vii) an account of the Group's key relationships with its key stakeholders such as employees that have a significant impact on the Group and on which the Group's success depends are set out in the sections headed "Management Discussion & Analysis" on pages 26 to 74 and "Report of the Directors" on pages 75 to 94 of this Annual Report.

Property, Plant and Equipment and Investment Properties

Details of movements in the property, plant and equipment and investment properties of the Company and the Group during the Reporting Period are set out in Notes V. 18 and V. 17 to the financial statements, respectively. Further details of the Group's major investment properties are set out on page 39.

Five Years Financial Summary Information

A summary of the published results and assets, liabilities and minority interests of the Group for the last five financial years is set out on page 412 of this Annual Report. This summary does not form part of the audited financial statements.

Bank Loans, Corporate Bonds and Notes

Details of the Company's and the Group's short-term loans, bills payable, long-term loans and short-term financing bonds payable and bonds payable as at 31 December 2024 are set out in Notes V. 27, 28, 37 and 38 to the financial statements, respectively. During the Reporting Period, interest capitalized amounted to approximately RMB1,113,624,012.42 in total, details of which were set out in Note V. 57 to the financial statements.

REPORT OF THE DIRECTORS

Table of the Issuance of Bonds during the Reporting Period

No.	Type and name (bonds, including enterprise bonds, corporate bonds and debt financing instruments of non-financial enterprises)	Date of issue (yy-mm-dd)	Issue price (or interest rate)	Issue amount (RMB hundred million)	Date of listing (yy-mm-dd)	Amount permitted to be listed for trading (RMB hundred million)	Ending date of the trading (yy-mm-dd)
1	24 BBMG MTN001	2024-02-04	2.87	15	2024-02-07	15	2031-02-06
2	24 BBMG MTN002	2024-03-01	2.84	20	2024-03-05	20	2031-03-04
3	BBMG KY06	2024-04-26	2.49	15	2024-05-06	15	2027-04-26
4	24 BBMG K1	2024-07-08	2.35	10	2024-07-11	10	2029-07-08
5	24 BBMG K2	2024-07-08	2.67	10	2024-07-11	10	2034-07-08
6	BBMG KY07	2024-08-12	2.15	10	2024-08-16	10	2027-08-12
7	BBMG KY08	2024-08-12	2.24	5	2024-08-16	5	2029-08-12
8	24 BBMG SCP001	2024-08-22	2.06	20	2024-08-26	20	2025-03-21
9	24 BBMG SCP002	2024-09-12	2.1	10	2024-09-14	10	2025-05-16
10	24 BBMG MTN003	2024-09-20	2.29	20	2024-09-24	20	2029-09-23
11	24 BBMG SCP003	2024-11-19	2.04	20	2024-11-21	20	2025-07-25
12	BBMG KY09	2024-12-02	2.22	5	2024-12-05	5	2026-12-02
13	BBMG KY10	2024-12-02	2.3	10	2024-12-05	10	2027-12-02
14	24 BBMG K3	2024-12-17	1.99	10	2024-12-20	10	2029-12-17
15	24 BBMG SCP005	2024-12-18	1.82	10	2024-12-20	10	2025-09-12

REPORT OF THE DIRECTORS

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

1. As registered with the document (Zhong Shi Xie Zhu [2023] No. DF16) of the National Association of Financial Market Institutional Investors, the Company publicly issued the medium-term notes on 4 February 2024, which was known as the first tranche of medium-term notes of BBMG Corporation for 2024 (stock code: 102480469, bond abbreviation: 24 BBMG MTN001), with a term of 5+2 years. The issue amount was RMB1.5 billion, with a coupon rate of 2.87%. The medium-term notes shall bear interest at a fixed rate, which were accrued annually with simple interest instead of compounding interest, with the issuer's option to adjust the coupon rate at the end of the fifth year and the investors' entitlement to sell back the bonds.
2. As registered with the document (Zhong Shi Xie Zhu [2023] No. DF16) of the National Association of Financial Market Institutional Investors, the Company publicly issued the medium-term notes on 1 March 2024, which was known as the second tranche of medium-term notes of BBMG Corporation for 2024 (stock code: 102480671, bond abbreviation: 24 BBMG MTN002), with a term of 5+2 years. The issue amount was RMB2.0 billion, with a coupon rate of 2.84%. The medium-term notes shall bear interest at a fixed rate, which were accrued annually with simple interest instead of compounding interest, with the issuer's option to adjust the coupon rate at the end of the fifth year and the investors' entitlement to sell back the bonds.
3. As registered with the document (Zheng Jian Xu Ke [2024] No. 412) of the China Securities Regulatory Commission, the Company publicly issued the corporate bonds on 26 April 2024, which was known as the first tranche of renewable scientific and technological innovation corporate bonds of BBMG Corporation for 2024 to professional investors by way of public issuance (stock code: 240961, bond abbreviation: BBMG KY06). The issue amount was RMB1.5 billion with a coupon rate of 2.49%. The basic term of the bonds shall be 3 years, with every 3 interest-bearing years as a cycle (repricing cycle) and an option of renewal at the end of each agreed cycle that the issuer has the right to choose to extend the term of the bonds for one cycle, or choose to redeem the bonds in full at the expiration of the repricing cycle. The bonds shall bear interest at a fixed rate, which were accrued annually with simple interest instead of compounding interest. In case of any deferment, each deferred interest will accrue during the deferral period at the current coupon rate.

REPORT OF THE DIRECTORS

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

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

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

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

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

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

REPORT OF THE DIRECTORS

6. As registered with the document (Zhong Shi Xie Zhu [2023] No. DF16) of the National Association of Financial Market Institutional Investors, the Company publicly issued the super short-term financing bonds on 22 August 2024, which was known as the first tranche of ultra short-term financing bonds of BBMG Corporation for 2024 (stock code: 012482541, bond abbreviation: 24 BBMG SCP001) with a term of 210 days. The total issue amount was RMB2.0 billion with a coupon rate of 2.06%. The principal amount of super short-term financing bonds will be paid in a lump sum together with interests upon maturity.
7. As registered with the document (Zhong Shi Xie Zhu [2023] No. DF16) of the National Association of Financial Market Institutional Investors, the Company publicly issued the super short-term financing bonds on 12 September 2024, which was known as the second tranche of ultra short-term financing bonds of BBMG Corporation for 2024 (stock code: 012483065, bond abbreviation: 24 BBMG SCP002) with a term of 245 days. The total issue amount was RMB1.0 billion with a coupon rate of 2.10%. The principal amount of super short-term financing bonds will be paid in a lump sum together with interests upon maturity.
8. As registered with the document (Zhong Shi Xie Zhu [2023] No. DF16) of the National Association of Financial Market Institutional Investors, the Company publicly issued the medium-term notes on 20 September 2024, which was known as the third tranche of medium-term notes of BBMG Corporation for 2024 (stock code: 102484221, bond abbreviation: 24 BBMG MTN003) with a term of 5 years. The total issue amount was RMB2.0 billion with a coupon rate of 2.29%. The medium-term notes shall bear interest at a fixed rate, which were accrued annually with simple interest instead of compounding interest, and its principal amount will be paid in a lump sum upon maturity.
9. As registered with the document (Zhong Shi Xie Zhu [2023] No. DF16) of the National Association of Financial Market Institutional Investors, the Company publicly issued the super short-term financing bonds on 19 November 2024, which was known as the third tranche of ultra short-term financing bonds of BBMG Corporation for 2024 (stock code: 012483659, bond abbreviation: 24 BBMG SCP003) with a term of 247 days. The total issue amount was RMB2.0 billion with a coupon rate of 2.04%. The principal amount of super short-term financing bonds will be paid in a lump sum together with interests upon maturity.
10. As registered with the document (Zheng Jian Xu Ke [2024] No. 412) of the China Securities Regulatory Commission, the Company publicly issued the corporate bonds on 2 December 2024, which was known as the third tranche of renewable scientific and technological innovation corporate bonds of BBMG Corporation for 2024 (type one) and (type two) to professional investors by way of public issuance.

REPORT OF THE DIRECTORS

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

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

11. As registered with the document (Zheng Jian Xu Ke [2024] No. 412) of the China Securities Regulatory Commission, the Company publicly issued the corporate bonds on 17 December 2024, which was known as the second tranche of scientific and technological innovation corporate bonds of BBMG Corporation for 2024 to professional investors by way of public issuance (stock code: 242163, bond abbreviation: 24 BBMG K3). The issue amount was RMB1.0 billion, with a coupon rate of 1.99% and a term of 3+2 years. The notes shall bear interest at a fixed rate, which were accrued annually with simple interest instead of compounding interest, with the issuer's option to adjust the coupon rate at the end of the third year and the investors' entitlement to sell back the bonds.
12. As registered with the document (Zhong Shi Xie Zhu [2023] No. DF16) of the National Association of Financial Market Institutional Investors, the Company publicly issued the super short-term financing bonds on 18 December 2024, which was known as the fifth tranche of super short-term financing bonds of BBMG Corporation for 2024 (stock code: 012483992, bond abbreviation: 24 BBMG SCP005) with a term of 267 days. The total issue amount was RMB1.0 billion with a coupon rate of 1.82%. The principal amount of super short-term financing bonds will be paid in a lump sum together with interests upon maturity.

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

REPORT OF THE DIRECTORS

Permitted Indemnity Provision

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

Environmental Protection Policies

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

Relationships with Customers, Suppliers and Employees

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

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

REPORT OF THE DIRECTORS

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

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

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

Share Capital and Sufficiency of Public Float

Details of movements in the share capital of the Company during the Reporting Period are set out in Note V. 44 to the financial statements.

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

Reserves

Details of movements in the reserves of the Company and the Group during the Reporting Period are set out in Notes V. 44, 45, 46, 47, 48, 49, 50 and 51 to the financial statements, the audited consolidated statement of changes in shareholders' equity and the audited statement of changes in shareholders' equity of the Company.

REPORT OF THE DIRECTORS

Distributable Reserves of the Company

As at 31 December 2024, an amount of approximately RMB16,279,970,000 standing to the credit of the Company's reserve account is available for distribution, of which approximately RMB533,888,600 has been proposed as a final dividend for the year.

Directors and Supervisors

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

Executive Directors:

Jiang Yingwu
Gu Yu
Jiang Changlu
Zheng Baojin

Non-executive Directors:

Gu Tiemin
Hao Liwei

Independent non-executive Directors:

Liu Taigang
Hong Yongmiao
Tam Kin Fong
Yu Fei (retired on 4 March 2025)

Supervisors:

Wang Guijiang
Fan Qinghai
Gao Junhua
Gao Jinliang
Qiu Peng
Yu Yuehua
Zhang Qicheng (retired on 6 June 2024)

REPORT OF THE DIRECTORS

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

As the term of office of Mr. Zhang Qicheng, a Supervisor, has expired at the 2023 AGM and he has not offered himself for re-election at the 2023 AGM, Mr. Zhang Qicheng ceased to serving as a Supervisor from 6 June 2024. For details, please refer to the announcement of the Company dated 6 June 2024.

Directors', Supervisors' and Senior Management's Biographies

Biographical details of the Directors, the Supervisors and the senior management of the Group are set out on pages 9 to 19 of this Annual Report.

Directors' and Supervisors' Service Contracts

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

Controlling Shareholders' Interests in Contracts

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

Directors' and Supervisors' Interests in Transactions, Arrangements or Contracts

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

Directors' Interests in Businesses Competing with the Group

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

REPORT OF THE DIRECTORS

Employee Retirement Plan

Please refer to Notes III. 20 and V. 32 and 41 to the financial statements for details of the Group's employee retirement plan.

Management Contracts

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

Directors' and Supervisors' Remunerations

Details of the remunerations of the Directors and the Supervisors of the Company are set out in Note XIII. 3(2) to the financial statements.

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

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

Currently, the supervisors will not receive any separate remuneration.

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

Top Five Highest-Paid Employees

Details of the top five highest-paid employees of the Company during the Reporting Period are set out in Note XIII. 4(3) to the financial statements.

No remuneration was paid by the Group to any of the non-director and non-chief executive highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office for the year ended 31 December 2024.

REPORT OF THE DIRECTORS

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

As at 31 December 2024, none of the Directors, supervisors or chief executive officer of the Company had an interest or short position in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register of interests required to be kept under section 352 of the SFO, or which will be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

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

As at 31 December 2024, the Directors were not aware of any issues of the Directors, supervisors and relevant employees not in compliance with the Model Code during the Reporting Period. Specific enquiry has been made to all Directors and supervisors, who have confirmed that they had complied with the Model Code during the Reporting Period.

Pre-Emptive Rights

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

REPORT OF THE DIRECTORS

Charitable Donations

Charitable donations made by the Group during the Reporting Period amounted to RMB871,822.47 (for the year ended 31 December 2023: RMB17,100,506.17).

Taxation for Shareholders of H Shares

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

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

Profit Distribution for Investors of Northbound Trading

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

REPORT OF THE DIRECTORS

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

Profit Distribution for Investors of Southbound Trading

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

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

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

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

Purchase, Sale or Redemption of the Company's Listed Securities

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

REPORT OF THE DIRECTORS

Transactions in Respect of the Group's Own Securities

During the Reporting Period, the Group had neither issued nor granted any convertible securities, options, warrants or other similar rights. During the Reporting Period, no convertible securities, options, warrants or other similar rights issued or granted by the Group were exercised. As at 31 December 2024, the Group had no redeemable or outstanding securities.

Loan Arrangements Granted to Entities

For the year ended 31 December 2024, the Group did not grant any loan to any entity which is subject to disclosure requirements under Rule 13.13 of the Listing Rules.

Pledge of Shares by Controlling Shareholders

For the year ended 31 December 2024, there was no pledge of Shares by the controlling shareholders of the Company.

Breach of Loan Agreements

For the year ended 31 December 2024, there was no breach of the loan agreements by the Company in which the loan involved would have a significant impact on the business operations of the Company.

Financial Assistance and Guarantees to Affiliated Companies

For the year ended 31 December 2024, there was no financial assistance or guarantee to affiliated companies by the Company which is subject to disclosure under Rule 13.13.

Guarantee regarding the Financial Performance of a Company or Business Acquired

For the year ended 31 December 2024, there was no guarantee regarding the financial performance of a company or business acquired which is subject to disclosure requirements under Rule 14.36B and/or Rule 14A.63 of the Listing Rules.

Directors' Rights to Acquire Shares or Debenture

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

REPORT OF THE DIRECTORS

Equity-linked Agreements

No equity linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year ended 31 December 2024 or subsisted at the end of the year ended 31 December 2024.

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

So far as was known to the Directors, as at 31 December 2024, shareholders of the Company who had interests or short positions in the shares and underlying shares of the Company which fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long positions:

Type of shareholding	Name of shareholder	Capacity and nature of interest	Number of shares held	Percentage of such shareholding in the same type of issued share capital (%)	Percentage of total issued share capital (%)
A Shares	Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司)(Note)	Direct beneficial owner	4,832,665,938	57.95	45.26
	State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality (Note)	Held by controlled corporation	4,832,665,938	57.95	45.26

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

REPORT OF THE DIRECTORS

Pursuant to the overseas regulatory announcement of the Company dated 23 August 2024, during the Reporting Period, Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司) increased its shareholding by 35,308,366 A Shares of the Company by means of centralized bidding through the Shanghai Stock Exchange due to the implementation of the controlling shareholder's plan to increase its shareholding. Upon the completion of the shareholding increase, Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司) held 45.26% of the total issued share capital of the Company and 57.95% of the issued share capital of A Shares of the Company.

Save as disclosed above, as at 31 December 2024, 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.

Major Customers and Suppliers

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

REPORT OF THE DIRECTORS

Competition and Conflict of Interests

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

Connected Transactions and Continuing Connected Transactions

Pursuant to Chapter 14A of the Listing Rules, the Group had no disclosable continuing connected transaction during the Reporting Period within the meaning of the Listing Rules which are required to be disclosed in the annual report of the Company. For the disclosable connected transaction of the Group during the Reporting Period within the meaning of the Listing Rules, please refer to the paragraph headed "CONNECTED TRANSACTIONS DURING THE REPORTING PERIOD" in the section headed "Management Discussion & Analysis" above.

Related Party Transactions

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

Independent Auditor

The consolidated financial statements for the year ended 31 December 2024 of the Company have been audited by Ernst & Young Hua Ming LLP ("**Ernst & Young**").

REPORT OF THE DIRECTORS

Pursuant to the relevant requirements of the Administrative Measures for the Appointment of Accounting Firms by State-owned Enterprises and Listed Companies (Cai Hui [2023] No.4) (《國有企業、上市公司選聘會計師事務所管理辦法》(財會[2023]4號)) issued by the Ministry of Finance, the State-owned Assets Supervision and Administration Commission of the State Council and the China Securities Regulatory Commission of the People's Republic of China, as Ernst & Young has been providing audit services to the Company for consecutive years, and for the purpose of ensuring the independence and objectivity of the audit work of the Company, as well as considering collectively factors such as the business development and the audit work requirements of the Company, the Company has conducted tender and bidding procedures, and Deloitte Touche Tohmatsu Certified Public Accountants LLP ("**Deloitte**") has become the successful bidder. Deloitte is, therefore, proposed to be engaged as the auditor of the Company for financial reporting and internal audit for the year 2025 (the "**Proposed Change of Auditor**"). According to the resolutions made by the Board on 13 January 2025, based on the recommendations of the audit committee of the Company (the "**Audit Committee**"), Deloitte is proposed to be appointed as the auditor of the Company for financial reporting and internal audit for the year 2025. The proposed appointment is subject to submission to the general meeting of the Company for the consideration and approval by the shareholders of the Company (the "**Shareholders**"). The Board and the Audit Committee have reviewed the qualifications, competence and experience of Deloitte, and are of the view that it has met the regulatory requirements in terms of its qualifications, professional competence, independence and integrity. The Company has adequate communication with Ernst & Young and Deloitte on the matters in relation to the Proposed Change of Auditor, and each of Ernst & Young and Deloitte has no disagreements. As at the date of this Annual Report, Ernst & Young has provided a written confirmation to the Company that there are no matters in relation to the Proposed Change of Auditor that needed to be brought to the attention of the Shareholders. The Board and the Audit Committee have also confirmed that there were no disagreements or unresolved matters in relation to the Proposed Change of Auditor between Ernst & Young and the Board that needed to be brought to the attention of the Shareholders. The matters in relation to the Proposed Change of Auditor will not affect the preparation and publication of the audited annual results and annual report of the Company for the financial year ended 31 December 2024 and other related documents (if any). Ernst & Young will continue to serve as the auditor of the Company for the year 2024 until the conclusion of the 2024 annual general meeting of the Company. The Proposed Change of Auditor is subject to the approval by the Shareholders at the 2024 annual general meeting. Save as the above Proposed Change of Auditor, the Company did not change its independent auditor in the past three years.

On behalf of the Board

Jiang Yingwu

Chairman & Executive Director

Beijing, the PRC

28 March 2025

REPORT OF THE SUPERVISORY BOARD

In 2024, the Supervisory Board exercised supervision over the Company's financial conditions, lawful operation and the performance by the Board and the management with an aim to protect the interests of both of Company and the shareholders of the Company in accordance with the Company Law, the Articles of Association and the Rules of Procedures of the Supervisory Board of the Company. All Supervisors exercised due diligence and care in discharging their duties and fulfill substantially all of the objectives of the Supervisory Board for 2024.

I. Meetings of the Supervisory Board in 2024

During the Reporting Period, the Supervisory Board held 4 meetings in total. Details are set out as follows:

(I) The 13th meeting of the sixth session of the Supervisory Board

The 13th meeting of the sixth session of the Supervisory Board was convened at Conference Room 5, Tower D, Global Trade Center, No. 36, North Third Ring East Road, Beijing on 28 March 2024. All six eligible supervisors attended the meeting in person and the secretary to the Board of the Company also attended the meeting. The convening of the meeting complied with the Company Law and the Articles of Association. The meeting was chaired by the supervisor Mr. Zhang Qicheng, at which the following resolutions were considered and approved:

1. The resolution regarding the annual report and its summary and the results announcement of the Company for 2023
2. The resolution regarding the work report of the Company's Supervisory Board for 2023
3. The resolution regarding the financial budget reports of the Company for 2023
4. The resolution regarding the profit distribution proposal of the Company for 2023
5. The resolution regarding the provision of asset impairment of the Company
6. The resolution regarding the corporate social responsibility report and ESG report of the Company for 2023
7. The resolution regarding the election of the Supervisory Board of the Company
8. The resolution regarding the remuneration of supervisors of the seventh session of the Supervisory Board of the Company

REPORT OF THE SUPERVISORY BOARD

(II) The 14th meeting of the sixth session of the Supervisory Board

The 14th meeting of the sixth session of the Supervisory Board was convened at Conference Room 5, Tower D, Global Trade Center, No. 36, North Third Ring East Road, Beijing on 29 April 2024. All six eligible supervisors attended the meeting in person. The convening of the meeting complied with the Company Law and the Articles of Association. The following resolution was considered and approved at the meeting:

The resolution regarding the first quarterly report of the Company for 2024

(III) The first meeting of the seventh session of the Supervisory Board

The first meeting of the seventh session of the Supervisory Board was convened at Conference Room 8, Tower D, Global Trade Center, No. 36, North Third Ring East Road, Beijing on 30 August 2024. The meeting was chaired by the supervisor Mr. Wang Guijiang. All six eligible supervisors attended the meeting in person and the secretary to the Board of the Company also attended the meeting. The convening of the meeting complied with the Company Law and the Articles of Association. The following resolutions were considered and approved at the meeting:

1. The resolution regarding interim report and its summary and the results announcement of the Company for 2024
2. The resolution regarding the provision of asset impairment of the Company for the first half of 2024

(IV) The second meeting of the seventh session of the Supervisory Board

The second meeting of the seventh session of the Supervisory Board was convened by way of telecommunication voting on 30 October 2024. All six eligible supervisors attended the meeting in person. The convening of the meeting complied with the Company Law and the Articles of Association. The following resolution was considered and approved at the meeting:

The resolution regarding the third quarterly report of the Company for 2024

REPORT OF THE SUPERVISORY BOARD

II. Attendance of Members of the Supervisory Board at General Meetings and their in-attendances at Board Meetings in 2024

During the Reporting Period, members of the Supervisory Board attended one general meeting of the Company, and were in attendance at 10 Board meetings of the Company, and reviewed the resolutions proposed at the general meetings and Board meetings. The Supervisors exercised their supervision over the meetings' compliance, voting procedures, major decision-making processes of the Company and the performance of duties by the members of the Board and the senior management by attending relevant meetings.

III. Opinion of the Supervisory Board on Certain Issues of the Company for the Year 2024

During the Reporting Period, the Supervisory Board exercised its supervision over the standardized operation, compliance with laws and regulations, major decision-making and the performance of duties by members of the Board and the senior management of the Company by convening meetings of the Supervisory Board, attending shareholders' general meetings, attending relevant meetings such as Board meetings and conducting specific independent inspections, and expressed independent opinions on the relevant issues.

(I) Opinion on standardized operation and performance of duties by the Directors and senior management

Pursuant to the laws and regulations of the jurisdiction(s) where the shares of the Company are listed, the Supervisory Board had duly overseen and examined the convening procedures and resolutions of the Board meetings of the Company, implementation by the Board of the resolutions of the shareholders' general meetings, the performance of duties by the senior management of the Company under relevant laws and the establishment and implementation of a mature internal management system of the Company in 2024. With respect to the business operations of the Company and the performance of duties by the Directors and the senior management, the Supervisory Board was not aware of any violation of laws, regulations, the Articles of Association and relevant protocols, rules of procedures, nor any power being abused or infringement of the interests of the shareholders of the Company and the legitimate rights of the employees.

REPORT OF THE SUPERVISORY BOARD

(II) Opinion on financial position of the Company

During the Reporting Period, the Supervisory Board had duly supervised and inspected the financial system and financial position of the Company, and carefully considered the financial information of the Company, including the financial final report for 2023, profit distribution plan for 2023, and financial and accounting reports as contained in annual report for 2023 and the first quarterly report, interim report and third quarterly report for 2024, and is of the opinion that the Company's financial information gives a true, fair and complete view of its financial conditions and operating performance.

(III) Opinion on regular reports of the Company

During the Reporting Period, the Supervisory Board exercised supervision over the preparation, review and disclosure procedures of the Company's regular reports disclosed in 2024, and is of the opinion that such procedures are in compliance with laws and regulations, regulatory requirements, the Articles of Association and the internal management system of the Company. The content and format of the regular reports are in line with all provisions of the regulatory authorities and the information contained therein gives a true, accurate and complete view of the operating condition of the Company during each of the Reporting Period. No violation of the regulations regarding confidentiality, information disclosure and other aspects by personnel involved in preparation, review and disclosure of the regular reports has been found.

(IV) Opinion on transactions including acquisition or disposal of assets, external investment and guarantees of the Company

With respect to transactions including acquisition or disposal of assets, external investment and guarantees of the Company during the Reporting Period, the Supervisory Board is not aware of any violation of laws and regulations, regulatory requirements, the Articles of Association and the internal management system of the Company or any other insider trading or any matters that are detrimental to the interests of the shareholders of the Company or may cause any loss to the Company's assets.

(V) Opinion on connected transactions of the Company

The Supervisory Board is of the opinion that the connected transactions were conducted by the Company during the Reporting Period in strict compliance with laws and regulations, regulatory requirements, the Articles of Association and other provisions, with approving procedures in compliance with laws and regulations, on a fair and reasonable basis and free of any behaviour in prejudice to the interests of the Company and its shareholders.

REPORT OF THE SUPERVISORY BOARD

(VI) Opinion on corporate social responsibility report of the Company

During the Reporting Period, the Supervisory Board reviewed the Company's corporate social responsibility report for 2023, and is of the opinion that the report gives an objective and practical view of the performance of corporate social responsibilities of the Company during the year.

IV. Work Plan of the Supervisory Board for 2025

In 2025, the Supervisory Board will continue to discharge its duties diligently in compliance with the relevant requirements under applicable laws and regulations including the Company Law, the Articles of Association and the Rules of Procedures of the Supervisory Board, and protect the legitimate rights and interests of the Company and its shareholders as a whole.

(I) Duly discharging duties under the laws and regulations

In 2025, the Supervisory Board will exercise supervision over standardized operations and the performance of duties by the Directors and the senior management of the Company in strict compliance with the Company Law, the Articles of Association and relevant requirements. Firstly, it will procure the Company to further improve its corporate governance structure and governance practices according to the requirements of the modern enterprise systems. Secondly, it will continue to strengthen its supervisory functions by attending the general meetings and the Board meetings under the laws to keep informed of the Company's major decisions and the legitimacy of decision-making processes to better protect the rights and interests of the shareholders of the Company. Thirdly, it will implement the Rules of Procedures of the Supervisory Board and convene meetings of the Supervisory Board on a regular basis.

(II) Strengthening supervision and inspections to avoid operational risks

Firstly, it will focus on financial control to carry out supervision and inspections on the financial affairs of the Company in accordance with the law. Secondly, it will prioritize its supervision and inspections on the Company's significant events including major investment, asset disposal, merger and acquisition and connected transactions, so as to effectively avoid operational risks. Thirdly, it will follow up the establishment and implementation of the internal control system of the Company to ensure its effectiveness. Fourthly, it will maintain communications with the internal audit function and entrusted (accounting) auditing firms of the Company, taking full use of internal and external audit information to keep abreast of the updates.

REPORT OF THE SUPERVISORY BOARD

- (III) Enhancing communications with the Board and the management to facilitate rational and scientific decisions and management of the Company; enhancing communications with the staff to advance the Company’s democratic management and harmonious development.**
- (IV) Uplifting professional capabilities through self-improvements to better perform the supervisory duties of the Supervisory Board.**

INVESTOR RELATIONS REPORT

Overview

The Group strongly believes that effective and close communications with the shareholders of the Company is the key to maintaining good corporate governance and investor relations are an integral part of maintaining good corporate governance of a listed company. The Group has been actively maintaining contact with investors and keeping them abreast of the latest industry updates, corporate communications and business development in a timely manner, so as to establish a platform for fair, open, accurate and transparent information disclosure and facilitating two-way communication between investors and the Group. The Board secretary, and the director of the Board Office, Zhang Jianfeng is responsible for the investor relations of the Group with the full support from the Board and the senior management. During the Reporting Period, the Group actively participated in various investor relations activities and provided on-time information to investors through the company website. In addition, the Group has also demonstrated a high level of compliance with the Listing Rules and relevant requirements under the Hong Kong Stock Exchange during the Reporting Period.

Investor Relations Review

1. Meetings with Investors

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

During the Reporting Period, the Group actively participated in teleconferences held by renowned investment and securities firms in the PRC and Hong Kong and actively organized one-on-one and group meetings with various fund managers and analysts. During the Reporting Period, the Group has arranged meetings of various forms with many analysts, fund managers and financial commentators and maintained close communications with institutional investors, providing them with up-to-date information about the Group. Constructive suggestions and feedbacks from the investors and analysts collected by the Group will be addressed carefully by the management.

During the Reporting Period, excluding the adverse impact brought by the COVID-19 epidemic, the Company has maintained positive interaction with the investors through many ways, such as arranging the earnings conference, online roadshow and reverse roadshow, participating in the investor online summit at home and abroad, and replying e-interactive questions in a timely manner and welcoming the investigation and survey from the analysts and the institution investors.

INVESTOR RELATIONS REPORT

2. Ongoing Communications with Shareholders, Investors and Analysts

The Group has adopted an active and progressive approach to provide the shareholders and investors of the Company with the opportunity to communicate with the senior management of the Group through one-on-one and group meetings and luncheons to share with them the financial performance, business updates and future prospects of the Group. During the Reporting Period, sell side research reports have been issued by several prominent securities research institutions to cover the operation of the Company. The Group also believes that the shareholders' general meetings is an important channel for communication with its shareholders and investors and encourages an open dialogue between its shareholders and the directors and/or senior management of the Company.

3. Results Announcement

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

4. Maintaining Two-Way Communications with Media

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

5. Timely Dissemination of Latest Corporate Updates

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

INVESTOR RELATIONS REPORT

Prospects

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

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

Investor Information

1 Share Particulars

H Shares

Listing date	29 July 2009
Board lot	1,000 shares
Number of issued H shares	2,338,764,870 shares (as at 31 December 2024 and 28 March 2025)
Stock code	02009.HK

A Shares

Listing date	1 March 2011
Board lot	100 shares
Number of issued A shares	8,339,006,264 shares (as at 31 December 2024 and 28 March 2025)
Stock code	601992.SH

INVESTOR RELATIONS REPORT

2	Financial Calendar	
	2023 annual results announcement	published on 28 March 2024
	2024 first quarterly results announcement	published on 29 April 2024
	2024 interim results announcement	published on 30 August 2024
	2024 third quarterly results announcement	published on 30 October 2024
	2024 annual results announcement	published on 28 March 2025
	Closure of register of H shares members for attending the 2023 AGM	from 3 June 2024 to 6 June 2024
	2023 AGM	6 June 2024
	Closure of register of H shares members for attending the 2024 AGM	from 20 May 2025 to 23 May 2025
	2024 AGM	23 May 2025
	Financial year end	31 December
3	Dividends	
	2023 final dividend	RMB0.025 per share
	Closure of register of H shares members for 2023 final dividend	from 15 June 2024 to 20 June 2024
	2023 H shares final dividend payment date	5 August 2024
	Proposed 2024 final dividend	RMB0.05 per share
	Closure of register of H shares members for 2024 final dividend	from 2 June 2025 to 9 June 2025
	2024 H shares final dividend payment date	9 July 2025

For any queries, please contact:

BBMG Corporation

Room 2220

22nd Floor, Tower D, Global Trade Center

No. 36 North Third Ring East Road

Dongcheng District 100013

Beijing

The People's Republic of China

Investor Relations Department

Phone: (8610) 6641 7706

Fax: (8610) 6641 0889

Email: ir@bbmg.com.cn

Company website: www.bbmg.com.cn/listco

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the Corporate Governance Report of the Company for the year ended 31 December 2024.

1. Commitment to Corporate Governance

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

2. The Board**Duties and Functions of the Board**

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

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

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

CORPORATE GOVERNANCE REPORT

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

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

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

Composition

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

Executive Directors:

Jiang Yingwu	Chairman of the Strategic Committee
Gu Yu	Member of the Strategic Committee
Jiang Changlu	Member of the Remuneration and Nomination Committee
Zheng Baojin	Member of the Strategic Committee

Non-executive Directors:

Gu Tiemin	Member of the Audit Committee
Hao Liwei	Member of the Audit Committee

CORPORATE GOVERNANCE REPORT

Independent non-executive Directors:

Liu Taigang	Chairman of the Remuneration and Nomination Committee, member of Audit Committee and Strategic Committee
Hong Yongmiao	Member of the Audit Committee, Remuneration and Nomination Committee and Strategic Committee
Tam Kin Fong	Chairman of the Audit Committee and member of the Remuneration and Nomination Committee and Strategic Committee
Yu Fei (<i>resigned on 4 March 2025</i>)	Member of the Audit Committee, Remuneration and Nomination Committee and Strategic Committee

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

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

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

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

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

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

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

Board Diversity

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

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

The Remuneration and Nomination Committee reviewed the implementation and effectiveness of the board diversity policy at the meeting which was held on 27 March 2025. The Board considers the current Board composition has provided the Company with a balance of skills, experience and diversity of perspective appropriate to the requirements by its business. Currently, the Board include a female non-executive Director, thus met the requirements of gender diversity of the Board under the Rule 13.92 of the Listing Rules. The executive Directors of the Company have many years of experience in the building materials and real estate industries; the independent non-executive Directors have extensive industry knowledge and experience in law, economics, financial management and corporate finance.

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The Chairman and the Chief Executive Officer

For the year ended 31 December 2024, the Company has reviewed its corporate governance documents and is of the view that the Company had fully complied with the code provisions of the CG Code set out in the Appendix C1 to the Listing Rules.

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

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

Terms of Office of Directors, Supervisors and Senior Management

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

Company Secretary

All Directors are entitled to the company secretary's services. The company secretary reports and notifies the Board the latest information on corporate governance and oversight on a regular basis, assists the Chairman in preparation of the agenda, and prepares and despatches meeting documents in a timely and comprehensive manner so as to ensure the efficiency and validity of the Board meetings. With the assistance of the Company's legal advisers, the company secretary is in charge of arranging the publication of annual, interim and quarterly

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reports and disclosure of information and data in accordance with the Listing Rules and the relevant rules and guidelines of the Company and ensure the Company's compliance with the continuing obligations of the Listing Rules, Codes on Takeovers and Mergers and Share Buy-backs, Companies Ordinance, Securities and Futures Ordinance and other applicable laws, rules and regulations. The company secretary makes timely and regular enquiries with the Company's finance department in accordance with the Company's protocols and guidelines such as the Connected Transactions Practical Guidelines (關連交易實施細則), Management Protocol on Connected Transactions (關連交易管理辦法) and Guidelines on Identifying Connected Parties (關連人士確認細則) for information on connected transactions to secure the full compliance with the Listing Rules in respect of such transactions.

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

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

Board Meetings

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

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

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

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The Board held four regular Board meetings during the Reporting Period to review the financial performance of the Group. Between these regular meetings, the Board also met to discuss and consider major issues (whether or not required by the Listing Rules) and also on other occasions when Board decisions are required. With respect to regular meetings of the Board, Directors were given a formal written notice of the meeting and an agenda with supporting Board papers to the meeting in accordance with the Listing Rules and the CG Code. With respect to other meetings, Directors were given as much notice as was reasonable and practicable in the circumstances. During the Reporting Period, the Board also convened the 2023 AGM on 6 June 2024. The number of meetings and attendance details of each Director during the Reporting Period are set out as follows:

Name of Directors	Number of attendance/ Number of meetings entitled to attend	
	Board meetings	2023 AGM
<i>Executive Directors</i>		
Jiang Yingwu	10/10	1/1
Gu Yu	10/10	1/1
Jiang Changlu	10/10	1/1
Zheng Baojin	10/10	1/1
<i>Non-executive Directors</i>		
Gu Tiemin	10/10	1/1
Hao Liwei	10/10	1/1
<i>Independent non-executive Directors</i>		
Liu Taigang	10/10	1/1
Hong Yongmiao	10/10	1/1
Tam Kin Fong	10/10	1/1
Yu Fei (<i>resigned on 4 March 2025</i>)	10/10	1/1

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Directors' Induction and Continuous Professional Development

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

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

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

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

- A: attending seminars, conferences and/or forums
- B: giving talks at seminars, conferences and/or forums
- C: reading newspapers, journals and updates relating to the economy, general business, building materials, property development or director's duties and responsibilities, etc.

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

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Board Committees

There are three Board committees under the Board, namely, the Audit Committee, the Remuneration and Nomination Committee and the Strategic Committee, established to administer certain specified functions of the Company's affairs. Their terms of reference which set out, among other things, the duties, functions and composition of these committees are determined in accordance with the principles set out in the CG Code and are available on the Company's website. The Board committees report to the Board. In order to perform their duties, the Board committees have the authority to appoint legal advisors, accountants or other professionals to provide professional advice if necessary, at the Company's expenses.

Audit Committee

The Company has established the Audit Committee pursuant to the provisions of the CG Code with written terms of reference, aiming at (among other things) reviewing and supervising the Group's financial reporting procedures. During the Reporting Period, the Audit Committee consisted of two non-executive Directors and three independent non-executive Directors, and the Audit Committee consisted of two non-executive Directors and three independent non-executive Directors after the resignation of Yu Fei as the independent non-executive Director on 4 March 2025. At a meeting convened on 27 March 2025, the Audit Committee reviewed and considered the consolidated financial statements and the internal control audit report of the Group for the Reporting Period. The Audit Committee has also recommended the Board to adopt the Group's consolidated financial statements for the Reporting Period.

As at the date of this Annual Report, members of the Audit Committee are Gu Tiemin (non-executive Director), Hao Liwei (non-executive Director), Liu Taigang (independent non-executive Director), Hong Yongmiao (independent non-executive Director) and Tam Kin Fong (independent non-executive Director). Tam Kin Fong (independent non-executive Director) is the chairman of the Audit Committee.

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The major functions and roles of the Audit Committee are:

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

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

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

Name of Directors	Number of attendance/ Number of meetings entitled to attend
<i>Independent non-executive Directors</i>	
Liu Taigang	6/6
Hong Yongmiao	6/6
Tam Kin Fong	6/6
Yu Fei (<i>resigned on 4 March 2025</i>)	6/6
<i>Non-executive Directors</i>	
Gu Tiemin	6/6
Hao Liwei (<i>appointed on 6 June 2024</i>)	4/4

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

- review of the external auditors' report in respect of the audited financial statements, annual report and results announcement for the year ended 31 December 2023;
- review of implementation of the final dividend for the year ended 31 December 2023;
- review of the accounting policies of the Group adopted during the Reporting Period;
- the proposed appointment of Ernst & Young Hua Ming LLP as the Company's independent auditor for the year ended 31 December 2024;
- review of the 2024 interim report and interim results announcement;
- review of the 2024 first quarter and third quarter results reports;
- review of the procedures for information disclosure during the Reporting Period;

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- review of the internal control and risk management function of the Group with the discussion of the internal auditors;
- review of the internal control evaluation report and the effectiveness of the internal audit function;
- review of the Company's audit planning report prepared by Ernst & Young Hua Ming LLP for the year ended 31 December 2024;
- review of changes of accounting policy;
- review of the appointment and remuneration plan of senior management;
- review of the related transactions, external guarantee and occupied fund of the Group (if applicable);
- review of the work performed by other Board committees during the Reporting Period; and
- review of the matters in relation to the Proposed Change of Auditor in the paragraph headed "Independent Auditor" in the section headed "Report of the Directors" above.

This Annual Report and the annual results announcement of the Company for the Reporting Period have been reviewed by the Audit Committee during the meeting convened on 27 March 2025.

At the first meeting of the seventh session of the Board held on 6 June 2024, Mr. Tam Kin Fong was elected as the chairman of the Audit Committee, and Mr. Gu Tiemin, Mr. Yu Fei (resigned on 4 March 2025), Mr. Liu Taigang, Mr. Hong Yongmiao and Ms. Hao Liwei were elected as the member of the Audit Committee.

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

Remuneration and Nomination Committee

The Company has established the Remuneration and Nomination Committee with written terms of reference. The primary duties of the Remuneration and Nomination Committee are to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Company, review the performance-based remuneration, ensure that no Director is involved in determining his own remuneration, nominate candidates to fill up any vacancy of the Board, ensure the diversity of the composition of the Board and review the qualification of the candidates. As at the date of this Annual Report, the Remuneration and Nomination Committee consists of four members, namely Jiang Changlu (executive Director), Liu Taigang (independent non-executive Director), Hong Yongmiao (independent non-executive Director) and Tam Kin Fong (independent non-executive Director). Liu Taigang (independent non-executive Director) is the chairman of the Remuneration and Nomination Committee.

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

- a. The resolution of determining the remuneration of executive Directors of the Board and the senior management of the Company based on their performance by the Remuneration and Nomination Committee in 2023;
- b. The consideration and review on the proposal in relation to the appointment and resignation of senior management; and
- c. The review of the Company's board diversity policy and the progress on achieving the objectives set for implementing the said policy.

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

Name of Directors	Number of attendance/ Number of meetings entitled to attend
<i>Executive Director</i>	
Jiang Changlu	4/4
<i>Independent non-executive Directors</i>	
Hong Yongmiao	4/4
Liu Taigang	4/4
Tam Kin Fong	4/4
Yu Fei (<i>resigned on 4 March 2025</i>)	4/4

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

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

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

The biographical details of senior management are disclosed on pages 16 to 19 of this Annual Report.

Strategic Committee

The Company established the Strategic Committee whose primary duties are to formulate the overall development plans and investment decision-making procedures of the Group. As at 31 December 2024, the Strategic Committee consisted of seven members, three of whom are executive Directors, namely Jiang Yingwu, Gu Yu and Zheng Baojin, together with four independent non-executive Directors, namely Yu Fei (resigned on 4 March 2025), Liu Taigang, Hong Yongmiao and Tam Kin Fong. Jiang Yingwu was the chairman of the Strategic Committee.

During the Reporting Period, the Strategic Committee convened one meeting with an attendance rate of 100%. The committee reviewed the investment plan of the Company for 2024 and other resolutions, proposed to form a linkage between investment projects, leveraged the advantages of the industrial chain and flexibly utilized the financing means in a compliance manner to reduce financing costs.

3. Statement of Financial Responsibility of the Board

It is the responsibility of the Board for presenting a balanced, clear and understandable assessment in respect of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements. The Directors acknowledge their responsibility for (i) the preparation of the Company's financial statements; (ii) the completeness and legitimacy of the financial data; and (iii) the efficiency of the Company's internal control and risk management function for the year ended 31 December 2024.

Management team shall provide such explanation and information to the Board to enable the Board to make an informed assessment of the financial and other information presented before the Board for approval. The Directors are responsible for keeping proper accounting records and preparing accounts of each financial period, which give a true and fair view of the financial position of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31 December 2024, the Directors have:

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

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

The Company has received a statement by the independent auditors of the Company about their reporting responsibilities. The statement of the independent auditors of the Company on its reporting responsibilities on the financial statements is set out in the "Auditors' Report" on pages 140 to 145 of this Annual Report.

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

4. Directors' and Supervisors' Securities Transactions

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

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

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All Directors confirmed that as at 31 December 2024, none of the Directors, the Supervisors and the specific employees who may have possession of certain inside information that had not been disclosed in accordance with the requirements of the Model Code has interests or short positions which are required to notify the Company and the Hong Kong Stock Exchange, or incur any conduct in violation of regulations. Having made specific enquiries to all Directors and all Supervisors of the Company, they have confirmed that they had complied with the required standards set out in the Model Code throughout the Reporting Period.

5. Senior Management's Remuneration

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

For the year ended 31 December 2024, remuneration paid to the members of the senior management other than the Executive Directors was as follows:

	2024	2023
	RMB	RMB
Total remuneration	14,297,040	10,553,242

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

	2024	2023
RMB0-1,000,000	7	7
RMB1,000,001-1,500,000	0	4
RMB1,500,001-2,000,000	4	1
RMB2,000,001-2,500,000	1	0
	12	12

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6. Internal Control and Audit

Internal Control

The Board has the ultimate responsibility to maintain a sound and effective internal control system for the Company so as to safeguard the interests of the Company and its shareholders as a whole and to ensure strict compliance with relevant laws, rules and regulations. The Board is fully in charge of the internal control system and is responsible for overseeing and reviewing the effectiveness of the internal control system on an ongoing basis.

In 2024, the Company further streamlined the “1+7+X” management structure to improve the management efficiency. The Company further optimized the organizational structure of the Group’s headquarters, refined the responsibilities and authority of departments, and gave full play to the functions of the headquarters as the strategic decision-making center, the capital operation center, the asset supervision center and the human resource allocation center. The Company further improved the management and control mode of affiliated enterprises, clarified the management levels, and implemented the tenure system and contractual management. The Company further strengthened the construction of the compliance internal control system. Firstly, the Company made great efforts to improve the rules and regulations system, update all kinds of rules and regulations, compile the new edition of rules and regulations, and build a rules and regulations system with the articles of association as the core and the “Two Horizontals and Three Verticals” as the framework. Secondly, the Company made great efforts to carry out risk assessment and screening and complete the compilation of “Three Checklists for Compliance” to achieve the full coverage of risk diagnosis and assessment. Thirdly, the Company focused on sorting out the post compliance obligations in various fields, formulated a list of post responsibilities, and implemented the compliance management responsibilities of each post. Fourthly, the Company made great efforts to optimize and improve the management process, and update and compile the 2024 edition of Internal Control (Compliance) Management Manual. The review rate for “three items” of legal compliance was 100%, providing compliance services for major projects. The Company further improved the comprehensive quality of employees, established a professional talent pool of human resources, finance and skilled technicians, and organized various types of trainings. The Company further strengthened discipline inspection and audit supervision, effectively implemented the collaborative working mechanism of discipline inspection and supervision, patrol inspection and audit, and achieved the full coverage of three-year rotation audit and three-year internal control supervision and evaluation. Through self-evaluation, the Company maintained effective internal control in all major aspects in accordance with the requirements of the Standard System for Internal Control of Enterprises and relevant regulations, and found no major and important defects. In 2025, based on the existing internal control system, the Company will continue to improve the

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four-level management and control mode, adjust and optimize the management level and the shareholding structure, and promote the integration of internal resources; take the industrial Internet as the core to further promote the transformation of digital intelligence; continue to promote the tenure system and contractual management of managers in affiliated companies; promote patrol inspection, rectification of audit problems and application of results, and strengthen prevention of various operation risks; continue to strengthen the implementation, supervision and inspection of various systems and processes, ensure that the internal control work always focuses on the overall development of the Company, and reasonably ensure the legality and compliance of the Company's operation and management, the security of assets, and the truthfulness and completeness of financial reports and related information, so as to improve the operating efficiency and effect and promote the realization of the development strategy. At the same time, according to the new situation found during the implementation of the current internal control system, the Company will optimize and improve some business processes to ensure that the Company's internal control system can adapt to environmental changes in time and keep the internal control system dynamic and effective.

The Board's Statement on Its Responsibility for Internal Control

According to the provisions of the Basic Internal Control Norms for Enterprises and its supporting guidelines and other internal control and supervision requirements (hereinafter referred to as the "Standard System for Internal Control of Enterprises"), in combination with the internal control system and evaluation methods of the Company, and on the basis of daily and special supervision of internal control, the Company evaluated the validity of the internal control as of 31 December 2024 (base date of internal control evaluation report).

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

CORPORATE GOVERNANCE REPORT

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

The Group implemented the work deployment of deepening the new round of state-owned enterprise reform and upgrading, and promoted enterprises to continuously improve the construction of their internal control management systems and improve their ability to prevent and control major risks, so as to lay a solid foundation for their high-quality development.

Firstly, organize and carry out the activities of “repealing, modifying, formulating, editing and publicizing” systems, and further improve the management system of rules and regulations. On the basis of sorting out the risks of compliance obligations, the Group formulated the annual plan for repealing, modifying and formulating systems, updated 118 pieces of rules and regulations throughout the year, compiled a new edition of rules and regulations, totaling 1.06 million words, and built the rules and regulations system with the structure of “One Core, Two Horizontals and Three Verticals”. Besides, the Group innovatively conducted its rules and regulations training class in 2024, and organized various functional departments to give lectures on corporate governance, investment projects, brand management, accounting funds, human resources, production safety, energy conservation and environmental protection, bidding & tendering and procurement, equity management and accountability for illegal operations, thus laying a solid foundation for internal control and compliance management.

Secondly, update and compile the Group’s 2024 edition of Internal Control (Compliance) Management Manual, and further optimize the internal control process. The Group innovatively adopted the integrated control mode of internal control and compliance process, comprehensively sorted out the compliance obligations and review points of 267 internal control process links, added 318 tips of compliance review points, standardized and optimized 25 internal control compliance modules and 267 key business control sub-processes, and further embedded the internal control compliance requirements in key process links, so as to improve the actual effect of risk prevention and control.

Thirdly, accelerate the pace of digital intelligence transformation and strengthen the rigid constraints of risk management and control. In 2024, the Group accelerated the pace of digital intelligence transformation. The Group continued to optimize projects such as iterative audit management and financial analysis system, and promoted the construction of information projects such as “peak carbon dioxide emissions and carbon neutrality” management platform, financial sharing and digital archives. The Group strengthened overall planning and intensification, and published a list of common system application, so as to avoid repeated construction of systems. Besides, the Group vigorously promoted the construction of “One Cloud” and “One Network”, improved the collaboration efficiency of the information-based system, gradually realized the interconnection and organic integration of the internal control compliance system and the business information system, and empowered business management decisions and implementation activities.

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

CORPORATE GOVERNANCE REPORT

Auditors' Remuneration

The Audit Committee reviewed the letter from Ernst & Young Hua Ming LLP to confirm its independence and objectiveness, and held meetings with Ernst & Young Hua Ming LLP to discuss its audit scope and fees by Ernst & Young Hua Ming LLP. The Company engaged Ernst & Young Hua Ming LLP as the sole external auditor of the Company. The remuneration in respect of audit services and non-audit services provided by Ernst & Young Hua Ming LLP in 2024 is summarised as follows:

Ernst & Young Hua Ming LLP	RMB
Annual results auditing services	6,600,000
Review of 2024 interim results	3,000,000
Other non-annual audit or review services	—
Total	<u>9,600,000</u>

7. Communications with Shareholders

The Board fully recognizes that effective communication with investors is the key to building up investors' confidence and attract new investors. The Company held briefs to investment analysts and investors immediately following the announcement of its annual and interim results. Senior management were present to analyze the performance of the Company, expound the business development of the Company and answer questions raised by investors, so as to make known the Company's existing operation, investment status and business development, thereby enhancing the investors' confidence in the Company. The Company publishes its announcements, financial information and other relevant data on its website at <http://www.bbm.com.cn/listco>, as a channel to enhance effective communication. Shareholders are welcomed to make enquiries to the Company by sending the enquiries to the principal place of business of the Company in China or Hong Kong, or contact the Board Office via phone ((8610) 6641 7706), fax ((8610) 6641 0889) or email (ir@bbm.com.cn). The Board believes that such an established mechanism can ensure independent views and input from the shareholders are available to the Board. The Board reviewed the Group's shareholders and investor engagement and communication activities conducted in 2024 and was satisfied with the implementation and effectiveness of the shareholders communication policy.

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

CORPORATE GOVERNANCE REPORT

8. Shareholders' Rights

Procedure for shareholders to convene an extraordinary general meeting:

Pursuant to Articles 65 and 107 of the Articles of Association and Rules of Procedure for General Meetings of the Company, the following procedures are set out for shareholders to convene an extraordinary general meeting or class meeting of shareholders:

- (1) Two or more shareholders severally or jointly holding 10% or more of shares of the Company may, by signing written requests in one or more counterparts stating the object of the meeting, require the Board to convene an extraordinary general meeting or a class meeting of shareholders and clarify the agenda of the meetings. The Board shall within two months after receipt of such written request convene an extraordinary general meeting or class meeting of shareholders. The shareholdings referred to above shall be calculated as at the date of the delivery of the written requisition(s) by the shareholders;
- (2) Where the Board disagrees on the proposal for convening a general meeting or fails to give feedback within ten days upon receipt of the above written request, the shareholder(s) shall request in writing to the Supervisory Board to convene a general meeting. Where the Supervisory Board agrees on the convening of meeting, it shall give a notice of meeting within five days upon receipt of the written request. Where no notice of meeting is issued by the Supervisory Board within the prescribed period, the Supervisory Board shall be deemed not to convene and preside over the meeting. Shareholders severally or jointly holding 10% or more of shares of the Company for more than ninety consecutive days may convene and preside over the meeting on their own accord (the shareholding of such shareholder(s) who convene the meeting shall not be less than 10% prior to the announcement on the resolutions passed at the general meeting). The convening procedures shall as much as possible be the same as those for meeting convened by the Board.

When convening an annual general meeting, the Company shall notify the date, venue, and agenda of the meeting to all shareholders 20 business days prior to the convening of the relevant meetings in written form or in any other manners as prescribed by the Articles of Association. When convening an extraordinary general meeting, the Company shall notify shareholders 10 business days or 15 days (whichever is longer) prior to the date of the written form or in any other manners as prescribed by the Articles of Association. When calculating the number of days for the issuance of notices of general meetings, neither the intended day of the meeting,

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nor the day the relevant notice is issued shall be included in the number of days of advance notice required. Business day means the day on which the Hong Kong Stock Exchange is open for the business of dealing in securities.

Procedure for election of directors nominated by shareholders

Pursuant to Articles 68 and 140 of the Articles of Association and Rules of Procedure for General Meetings of the Company, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, Stock Listing Rules of Shanghai Stock Exchange, the following procedure is set out for election of directors nominated by shareholders:

Shareholder(s) severally or jointly holding 3% or more shares of the Company may nominate directors for election through a proposal to the Company. A written notice of the intention to nominate a person (namely shareholder) for election as director and a notice in writing by that person indicating his acceptance of such nomination shall be given to the Company not earlier than the day of announcement of notice of general meeting and not later than seven days before the date of the general meeting. The relevant period for nomination and acceptance of nomination shall not be less than seven days. The Company will, within ten business days prior to the date of the relevant general meeting, send to all shareholders a supplementary notice of general meeting carrying information about the resume of the director candidates, reasons for their election and the candidates' attitudes toward the nomination.

Proposals at a general meeting shall meet the following requirements:

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

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

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

Procedure for Shareholders to put forward proposals at a general meeting

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

Shareholder(s) severally or jointly holding 3% or more shares of the Company may put forward proposals at a general meeting. A written notice of the intention to put forward a proposal shall be given to the meeting convener through contacting the Investor Relations Department of the Company. For details of contact methods, please refer to the section headed "Investor Relations Report". The convener should make an announcement no earlier than two days upon receipt of the request and no later than ten days before the date of the general meeting specifying details of the proposals.

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

Proposals at a general meeting shall meet the following requirements:

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

When the relevant issues or proposals are being considered at the general meeting, shareholders or their proxies present at the meeting may express their opinions in either oral or written form. Shareholders who wish to express their opinions or raise questions on the issues to be considered shall obtain prior approval from the chairman of the meeting. Shareholders shall not intervene when reports are being made at the meeting or when other shareholders are speaking. When expressing their opinions, shareholders shall focus on the subject matters based

CORPORATE GOVERNANCE REPORT

on facts and reliable supports with courtesy and respect to others. Insult or defamation on others is prohibited. Shareholders who are in violation of the above rules shall be prohibited from speaking or forced to stop by the chairman of the meeting. Any person present at the meeting may submit their opinions or questions in writing to the chairman of the meeting. Opinions or questions raised at the meeting should be concise and to the point and shall not exceed the time limit and frequency stated in the rules of procedure.

9. Constitutional Documents

During the Reporting Period, there were no amendments to the Articles of Association made by the Company.

The most updated Articles of Association is available on the websites of the Company and the Hong Kong Stock Exchange.

10. Dividend Policy

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

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

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

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

2. Conditions and proportion of cash dividend distribution:

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

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

3. Differentiated cash dividend distribution policies:

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

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

CORPORATE GOVERNANCE REPORT

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

4. Conditions of dividend distribution in shares:

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

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

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

1. The profit distribution proposal shall be proposed by the management and submitted to the board of directors for review and approval, and independent directors shall express definite opinions in this regard. The board of directors shall record a resolution and submit to the shareholders' general meeting for review and approval.

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2. The board of directors shall fully consider the profit distribution proposal pursuant to the provisions of the Articles of Association, having taken into full account of the Company's ability to operate on an ongoing basis, and the capital required for ensuring ordinary production, operation and business development as well as reasonable returns to investors. In deliberating and decision-making of the profit distribution proposal, the board of directors shall communicate and exchange ideas with independent directors and minority shareholders through multiple channels and take full account of the views of independent directors and the demands of minority shareholders.
3. Independent directors may solicit opinions from minority shareholders, put forth dividends distribution proposals and directly submitted to the board of directors for review and approval.
4. The profit distribution proposal shall be submitted to the supervisory board for review and approval and shall be approved by the supervisory board.
5. If the Company decides not to distribute cash dividend due to special circumstances stipulated above, the board of directors shall provide a special explanation on matters relating to the detailed reasons, the exact purpose of the retained proceeds and estimated return on investment. After the independent directors express opinion, the special explanation shall be submitted to the shareholders' general meeting for review and approval, and disclosed on the media designated by the Company.

(IV) Implementation of profit distribution proposal:

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

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

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(V) Adjustment of profit distribution policies:

In case of war, natural disasters and other force majeure, or the changes in external operating environment which significantly affect the Company's production and operation, or significant changes in the Company's own operation status, the Company may adjust its profit distribution policies.

When the Company needs to adjust its profit distribution policies, the board of directors shall carry out a special topic discussion to discuss in details and explain the reasons of adjustment. After being reviewed and approved by the independent directors, a written report shall be submitted to the shareholders' general meeting, the passing of which should be by way of a special resolution. The Company shall provide an internet voting for the shareholders when the adjustment of profit distribution policies is in review and discussion.

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

1. Form of profit distribution: The Company distributes dividends in cash, shares or a combination of cash and shares. Under certain circumstances, the Company should give priority to the form of cash.
2. Proportion or amount of cash dividends: On the premise that cash flows can meet normal operations and long-term development, the Company's profit distribution target for the next three years is, in principle, to pay a cash dividend of no less than RMB0.05 per share (tax included) each year and the total cash dividend shall not be less than 30% of the audited net profit attributable to Shareholders of the listed Company in that year.

CORPORATE GOVERNANCE REPORT

3. The Company's cash dividends in the next three years shall meet the following conditions: Except for special circumstances, the Company is profitable in that particular year and the accumulated retained earnings are positive, and the Company's cash flows can meet the Company's normal operations and sustainable development; the above-mentioned special circumstances refer to the occurrence of major investments or major cash expenditures of the Company (excluding fundraising projects). Major investments or major cash expenditures refer to matters that need to be reviewed and approved by the Shareholders' general meeting in accordance with relevant laws and regulations and the Company's Articles of Association.

11. Staff Diversity in Workplace

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

As at 31 December 2024, gender ratio of employees of the Group (including the Directors, senior management and others) is 75.5% (male) and 24.5% (female). Therefore, male employees outnumbered female employees. The Company will be committed to maintaining a balance between male and female employees to narrow the gap between the number of male and female. The Company tends to employ more male employees than female employees due to the nature of the Company's production and manufacturing business. The Company wishes to narrow the gap of the gender ratio of employees of the Group (including the Directors, senior management and others) to achieve the target of keeping balance in the future. During the Reporting Period, the Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant. In order to cope with the situation that there are more male employees than female employees and to achieve the target gender ratio, taking into account the overall development plan and strategy and the need of the Group's customers, the Company will provide more trainings to attract female employees to work in the production and manufacturing business.

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12. ANTI-CORRUPTION AND WHISTLEBLOWING POLICIES

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

The whistleblowing system not only can further strengthen the internal control environment of the Group, it also acts as a channel for the staff of the Group to report any illegal behaviours, and is dedicated to external stakeholders to report any suspected misconduct, malpractice or illegal acts. For details of the anti -corruption and whistleblowing policies of the Group, please refer to the 2024 Environmental, Social and Governance Report to be published on the same date of this Annual Report.

13. POLICY AND PROCEDURES ON DISCLOSURE OF INSIDE INFORMATION

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

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

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

14. SHAREHOLDERS ENGAGEMENT**Directors' Shareholding Interests**

Directors' interests in the Company's securities as at 31 December 2024 are disclosed in the Directors' Report on page 87. All Directors have confirmed, following specific enquiry by the Company, that throughout the year ended 31 December 2024 they have complied with the required standard set out in the Model Code and the Company's own Code for Securities Transactions. The Company's own Code for Securities Transactions is largely based on the Model Code set out in Appendix C3 of the Listing Rules and is on terms no less exacting than those in the Model Code.

CORPORATE GOVERNANCE REPORT

The Listing Rules required 25% public float was maintained throughout the Reporting Period and up to the date of this Annual Report.

Important shareholders' dates in 2025

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

Date	Event
Friday, 28 March 2025	Publication of announcement of annual result for the year ended 31 December 2024
Friday, 25 April 2025	Publication of this Annual Report
Friday, 25 April 2025	Publication of the 2024 Environmental, Social and Governance Report
Monday, 19 May 2025	Latest time to lodge transfers of shares to qualify for the right to attend and vote at the 2024 AGM
From Tuesday, 20 May 2025 to Friday, 23 May 2025	Closure of register of members for ascertaining Shareholders' right to attend and vote at the 2024 AGM
Friday, 23 May 2025	Date of 2024 AGM
Friday, 23 May 2025	Latest time to lodge transfers of shares to qualify for the right to receive the final dividends for the Reporting Period
From Monday, 2 June 2025 to Monday, 9 June 2025	Closure of register of members for determining entitlements of the Shareholders to receive the final dividends for the Reporting Period
Wednesday, 9 July 2025	Expected date of distribution of final dividends for the Reporting Period

On behalf of the Board

Jiang Yingwu

Chairman & Executive Director

Beijing, the PRC

28 March 2025

AUDITORS' REPORT



Auditors' Report

Ernst & Young Hua Ming (2025) Shen Zi No. 70013360_A01
BBMG Corporation

To all shareholders of **BBMG Corporation**:

I. Audit opinion

We have audited the financial statements of BBMG Corporation, which comprise the consolidated and company balance sheets as at 31 December 2024, and the consolidated and company income statements, the statements of changes in shareholders' equity and the statements of cash flows for 2024 and the relevant notes to the financial statements.

In our opinion, the accompanying financial statements of BBMG Corporation present fairly, in all material aspects, the consolidated and company's financial position of BBMG Corporation as at 31 December 2024 and the consolidated and company's operating results and cash flows for 2024 in accordance with the Accounting Standards for Business Enterprises.

II. Basis for audit opinion

We conducted our audit in accordance with China's Auditing Standards for the Certified Public Accountants. Our responsibilities under those standards are further described in the section "Certified Public Accountants' responsibilities for the audit of the financial statements" under the auditors' report. Pursuant to the Code of Ethics for Chinese Certified Public Accountants, we are independent of BBMG Corporation and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matters is provided in that context.

We have fulfilled the responsibilities described in the section "Certified Public Accountants' responsibilities for the audit of the financial statements" under the report, including those in relation to these key audit matters. Accordingly, our audit included the performance of audit procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the key audit matters below, provide the basis for our audit opinion on the financial statements as a whole.

Auditors' Report *(continued)***III. Key audit matters** *(continued)*

Key audit matters:	How our audit addressed the matters:
<p>Impairment of goodwill</p> <p>As at 31 December 2024, the carrying value of goodwill in the consolidated financial statements amounted to RMB2.644 billion, among which, the impairment provision made for goodwill amounted to RMB377 million.</p> <p>Goodwill is tested for impairment at least annually by the Management of BBGM Corporation and the carrying value of goodwill is adjusted according to the result of the impairment test, which depends, to a large extent, on the estimates made and the assumptions adopted by the Management, for example, the estimates of future cash flow expected to be generated from asset group and discount rates. Those estimates are affected by the judgment made by the Management on the future market and economic environment. The adoption of different estimates and assumptions would cause material impact on the recoverable value of the goodwill valued.</p> <p>Please refer to Note III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES 18. Impairment of assets and 33. Significant accounting judgments and estimates and Note V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS 22. Goodwill for disclosures on the matter in the financial statements.</p>	<p>Our audit procedures mainly included obtaining and understanding of the Management's internal control and evaluation procedures on recoverable amount of goodwill, assessment and test on internal procedures related to goodwill impairment testing, review on the Management's determination of asset groups and allocation of goodwill. We obtained an understanding of the historical performance and development planning of each asset group as well as the development trend of the macroeconomy and the industry the asset groups belong to. We evaluated the assumptions and methods adopted by the Management in estimate of the recoverable amounts of asset groups. We assessed the estimated cash flow, including examining and checking the estimated production volumes, future sales prices, growth rates, estimated gross profit margin and relevant expenses of the asset groups, and compared them with the historical data and the industry benchmark for analysis. With the support of our internal valuation specialists, we reviewed and assessed the valuation methods selected and the key assumptions adopted by the Management, including the discount rates and perpetual growth rates, etc. We further reviewed the disclosures in relation to the impairment assessment of goodwill in the financial statements.</p>

Auditors' Report *(continued)*

III. Key audit matters *(continued)*

Key audit matters:	How our audit addressed the matters:
<p>Fair value of investment properties</p> <p>As at 31 December 2024, the carrying value of the investment properties in the consolidated and the Company's financial statements amounted to RMB45.05 billion and RMB14.047 billion, respectively. The investment properties were subsequently measured using fair value model.</p> <p>The management engages a third-party valuer with relevant qualifications to perform the valuation of the fair value of investment properties once a year. Income method and market price method were adopted in the valuation. The valuation of the fair value of investment properties involves a range of estimates and assumptions, such as the analysis of the economic environment and future trend of the regions where the investment properties are located, estimated rentals, occupancy rates and discount rates. The changes in estimates and assumptions would cause material impacts on the fair value of the investment properties valued.</p> <p>Please refer to Note III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES 13. Investment properties, 31. Fair value measurement and 33. Significant accounting judgments and estimates, and Note V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS 17. Investment properties and 60. Gains from changes in fair value, Note IX. DISCLOSURE OF FAIR VALUE and Note XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS 4. Investment properties.</p>	<p>Our audit procedures mainly included assessment of the objectivity, independence and competence of the third-party valuer engaged by the Management. We reviewed the basic information involved in the assessment, including lease area, property nature, lease term, rental income, etc. We selected material or typical samples to review and assess the valuation method, assumptions and key valuation inputs selected, such as, anticipated rentals in the future, occupancy rates and discount rates, with the support of our internal valuation specialists. We further reviewed the presentation and disclosures on the valuation of the fair value of investment properties in the financial statements.</p>

Auditors' Report *(continued)*

IV. Other information

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

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

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

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

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

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

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

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

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

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

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

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design appropriate audit procedures.

Auditors' Report *(continued)*

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

- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- (4) Conclude on the appropriateness of the Management's use of the assumptions of continuing as a going concern and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on BBMG Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, the auditing standards require us to draw attention of users of the financial statements in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the information obtained up to the date of our auditors' report. However, future events or conditions may cause BBMG Corporation to cease to continue as a going concern.
- (5) Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within BBMG Corporation to express an audit opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Ernst & Young Hua Ming LLP

Chinese Certified Public Accountant: **Zhao Yuhong** (Engagement Partner)

Chinese Certified Public Accountant: **Chen Shuai**

28 March 2025

Audited Consolidated Balance SheetAs at 31 December 2024
RMB

Assets	Note V	31 December 2024	31 December 2023
Current assets			
Cash and bank balances	1	18,292,078,276.08	17,332,116,734.92
Financial assets held for trading	2	1,172,593,404.61	550,397,005.33
Bills receivable	3	807,322,521.79	613,180,024.79
Accounts receivable	4	10,587,441,407.24	8,190,446,854.77
Financing receivables	5	885,835,186.93	763,501,720.37
Prepayments	6	3,106,818,812.94	2,019,452,127.40
Other receivables	7	5,419,560,183.17	6,132,077,812.09
Inventories	8	83,656,491,773.69	95,810,062,788.10
Contract assets	9	489,245,361.82	235,605,433.62
Non-current assets due within one year	10	766,358,369.93	696,330,818.56
Other current assets	11	8,011,719,626.52	8,731,169,477.37
Total current assets		<u>133,195,464,924.72</u>	<u>141,074,340,797.32</u>
Non-current assets			
Debt investments	12	858,770,664.33	865,628,511.12
Long-term receivables	13	2,089,895,870.55	1,709,779,597.92
Long-term equity investments	14	9,358,406,745.44	9,188,694,018.61
Investment in other equity instruments	15	654,486,823.56	649,405,596.88
Other non-current financial assets	16	489,561,240.56	369,093,598.93
Investment properties	17	45,050,117,856.24	43,671,254,377.67
Fixed assets	18	45,233,562,353.34	44,080,287,415.16
Construction in progress	19	2,003,383,911.57	2,604,995,214.22
Right-of-use assets	20	946,709,363.05	977,373,084.17
Intangible assets	21	16,271,662,332.20	16,170,020,963.38
Goodwill	22	2,644,369,314.19	2,528,344,651.55
Long-term deferred expenditures	23	1,974,373,975.35	1,849,754,144.59
Deferred income tax assets	24	2,917,647,914.59	3,479,773,641.60
Other non-current assets	25	307,307,411.42	460,393,602.36
Total non-current assets		<u>130,800,255,776.39</u>	<u>128,604,798,418.16</u>
Total assets		<u>263,995,720,701.11</u>	<u>269,679,139,215.48</u>

The accompanying notes form an integral part of these financial statements

Audited Consolidated Balance Sheet *(continued)*

As at 31 December 2024
RMB

Liabilities and equity attributable to shareholders	Note V	31 December 2024	31 December 2023
Current liabilities			
Short-term loans	27	28,335,162,449.14	29,527,007,127.21
Bills payable	28	3,055,166,040.97	3,835,290,150.26
Accounts payable	29	20,944,153,978.57	18,524,373,921.94
Receipts in advance	30	326,427,424.85	340,473,964.45
Contract liabilities	31	5,988,832,582.80	24,490,019,361.57
Wages payable	32	297,399,921.72	277,870,134.91
Tax payable	33	1,204,735,864.89	973,367,636.46
Other payables	34	6,660,906,438.99	6,352,234,808.50
Non-current liabilities due within one year	35	20,823,307,618.07	22,401,174,031.96
Short-term financing bonds payable	38	6,026,458,630.14	6,018,292,602.73
Other current liabilities	36	3,116,401,307.48	4,864,609,522.05
Total current liabilities		<u>96,778,952,257.62</u>	<u>117,604,713,262.04</u>
Non-current liabilities			
Long-term loans	37	50,899,057,721.01	37,741,846,739.36
Bonds payable	38	14,913,432,646.31	11,099,760,459.11
Lease liabilities	39	458,491,118.63	500,532,265.14
Long-term payables	40	259,601,004.90	213,484,881.59
Long-term wages payable	41	389,947,884.18	409,306,793.59
Estimated liabilities	42	689,202,184.41	516,634,238.79
Deferred income	43	798,598,254.47	786,216,497.15
Deferred income tax liabilities	24	6,691,116,499.36	6,442,273,261.85
Total non-current liabilities		<u>75,099,447,313.27</u>	<u>57,710,055,136.58</u>
Total liabilities		<u>171,878,399,570.89</u>	<u>175,314,768,398.62</u>

The accompanying notes form an integral part of these financial statements

Audited Consolidated Balance Sheet *(continued)*

As at 31 December 2024

RMB

Liabilities and equity attributable to shareholders <i>(continued)</i>	Note V	31 December 2024	31 December 2023
Equity attributable to shareholders			
Share capital	44	10,677,771,134.00	10,677,771,134.00
Other equity instruments	45	30,457,376,000.00	27,468,376,000.00
Including: Perpetual bonds		30,457,376,000.00	27,468,376,000.00
Capital reserve	46	5,038,256,982.55	5,461,112,758.98
Other comprehensive income	47	672,456,324.65	632,362,250.06
Specific reserve	48	79,233,220.09	68,415,551.23
Surplus reserve	49	3,032,786,180.00	2,935,800,236.68
General risk reserve	50	497,216,299.67	496,135,862.64
Retained earnings	51	23,262,404,290.69	25,267,051,623.61
		<u>73,717,500,431.65</u>	<u>73,007,025,417.20</u>
Total equity attributable to the shareholders of the parent company			
		<u>18,399,820,698.57</u>	<u>21,357,345,399.66</u>
Minority interests			
		<u>92,117,321,130.22</u>	<u>94,364,370,816.86</u>
Total equity attributable to shareholders			
		<u>263,995,720,701.11</u>	<u>269,679,139,215.48</u>
Total liabilities and equity attributable to shareholders			

The financial statements have been signed by:

Officer-in-charge of the Company:
Jiang YingwuChief accountant:
Zheng BaojinHead of the accounting department:
Zhang Qicheng

The accompanying notes form an integral part of these financial statements

Audited Consolidated Income Statement

For the year ended 31 December 2024
RMB

	Note V	2024	2023
Operating revenue	52	110,711,819,398.74	107,955,679,558.02
Less: Operating costs	52	99,133,841,345.85	95,971,802,978.31
Tax and surcharges	53	1,349,662,765.82	1,096,415,083.87
Selling expenses	54	2,333,323,340.27	2,397,957,824.88
Administrative expenses	55	6,648,396,353.40	6,565,649,925.72
Research and development expenses	56	665,894,604.90	530,171,118.93
Finance costs	57	2,797,247,842.41	2,275,478,938.02
Including: Interest expenses	57	2,939,700,546.05	2,405,609,128.43
Interest income	57	210,204,723.33	267,644,276.41
Add: Other gains	58	604,687,659.64	573,748,715.68
Investment gains	59	1,063,076,974.32	131,515,672.92
Including: Gains from investment in associates and joint ventures	59	364,658,696.36	45,125,348.96
Derecognition gains on financial assets measured at amortized cost	59	610,318,847.54	(11,636,448.79)
Gains from changes in fair value	60	738,500,314.17	1,166,742,940.79
Credit impairment losses	61	222,244,867.29	(123,831,834.73)
Asset impairment losses	62	(1,228,372,052.49)	(1,858,791,350.18)
Gains on disposal of assets	63	1,199,012,007.98	1,148,782,645.98
Operating profit		382,602,917.00	156,370,478.75
Add: Non-operating revenue	64	415,215,502.37	320,365,349.30
Less: Non-operating expenses	65	341,719,053.44	176,349,091.38
Total profit		456,099,365.93	300,386,736.67
Less: Income tax expenses	67	1,990,308,295.08	1,587,793,238.16
Net profit		(1,534,208,929.15)	(1,287,406,501.49)
Classified by continuity of operations			
Net profit from continuing operations		(1,534,208,929.15)	(1,287,406,501.49)
Classified by attribution of ownership			
Net profit attributable to the shareholders of the parent company		(555,162,082.74)	25,262,828.59
Minority interests		(979,046,846.41)	(1,312,669,330.08)

The accompanying notes form an integral part of these financial statements

Audited Consolidated Income Statement *(continued)*For the year ended 31 December 2024
RMB

	Note V	2024	2023
Net other comprehensive income after tax	47	19,516,768.43	(100,366,290.04)
Net other comprehensive income after tax attributable to shareholders of the parent company		40,094,074.59	(53,940,051.63)
Other comprehensive income not allowed to be reclassified into profit or loss			
Changes arising from re-measurement of defined benefit plans		(9,026,597.56)	10,483,451.20
Changes in fair value of investment in other equity instruments		21,321,263.70	(53,392,076.82)
Other comprehensive income to be reclassified into profit or loss			
Other comprehensive income that may be reclassified to profit or loss under equity method		1,554,022.73	(8,246,099.83)
Exchange differences on foreign currency translation		(4,077,472.38)	(11,905,205.58)
The difference between the fair value and the carrying value of self-occupied properties or inventories on the date when it changed to the investment properties measured with the fair value model		30,322,858.10	9,119,879.40
Net other comprehensive income after tax attributable to minority interests	47	(20,577,306.16)	(46,426,238.41)
Total comprehensive income		(1,514,692,160.72)	(1,387,772,791.53)
Including:			
Total comprehensive income attributable to the shareholders of the parent company		(515,068,008.15)	(28,677,223.04)
Total comprehensive income attributable to minority interests		(999,624,152.57)	(1,359,095,568.49)
Basic and diluted earnings per share			
Before deducting other equity instrument indicators		(0.05)	0.002
After deducting other equity instrument indicators	68	(0.15)	(0.08)

The financial statements have been signed by:

Officer-in-charge of the Company:
Jiang YingwuChief accountant:
Zheng BaojinHead of the accounting department:
Zhang Qicheng

The accompanying notes form an integral part of these financial statements

Audited Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2024
RMB

2024

	Equity attributable to the shareholders of the parent company							Subtotal	Minority interests	Total shareholders' equity	
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve				Retained earnings
I. Balance at the beginning of the year	10,677,771,134.00	27,468,376,000.00	5,461,112,758.98	632,262,250.06	68,415,551.23	2,935,800,236.68	496,135,862.64	25,267,051,623.61	73,007,025,417.20	21,357,945,399.66	94,364,370,816.86
II. Movements during the year	-	-	-	40,094,074.59	-	-	-	(555,162,082.74)	(515,068,008.15)	(999,624,152.57)	(1,514,692,160.72)
(1) Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-
(2) Capital contribution and reduction from shareholders	-	-	-	-	-	-	-	-	-	-	-
1. Equity transactions that do not affect control	-	-	(176,480,933.41)	-	-	-	-	-	(176,480,933.41)	(1,044,276,159.60)	(1,220,757,095.01)
2. Capital contributed by minority shareholders of non-wholly owned subsidiary	-	-	-	-	-	-	-	-	-	662,281,835.18	662,281,835.18
3. Business combinations not under common control	-	-	-	-	-	-	-	-	-	23,727,069.64	23,727,069.64
4. Capital reduction by minority shareholders of non-wholly owned subsidiary	-	-	(246,374,841.02)	-	-	-	-	-	(246,374,841.02)	(1,587,418,423.76)	(1,833,793,264.78)
5. Issuance of perpetual bonds	-	4,489,000,000.00	-	-	-	-	-	-	4,489,000,000.00	-	4,489,000,000.00
6. Redemption of perpetual bonds	-	(1,500,000,000.00)	-	-	-	-	-	-	(1,500,000,000.00)	-	(1,500,000,000.00)
(3) Profit distribution	-	-	-	-	-	96,985,943.32	-	(96,985,943.32)	-	-	-
1. Appropriation of surplus reserve	-	-	-	-	-	-	-	(266,944,278.35)	(266,944,278.35)	(25,174,281.37)	(292,118,559.72)
2. Dividend to shareholders	-	-	-	-	-	-	-	(1,084,474,591.48)	(1,084,474,591.48)	-	(1,084,474,591.48)
3. Interest on perpetual bonds	-	-	-	-	-	-	1,080,437.03	(1,080,437.03)	-	-	-
4. Appropriation of general risk reserve	-	-	-	-	-	-	-	-	-	-	-
(4) Specific reserve	-	-	-	-	190,121,423.59	-	-	-	190,121,423.59	198,380,254.00	388,501,677.59
1. Appropriated during the year	-	-	-	-	(179,303,754.73)	-	-	-	(179,303,754.73)	(185,420,842.61)	(364,724,597.34)
2. Use during the year	-	-	-	-	-	-	-	-	-	-	-
III. Balance at the end of the year	10,677,771,134.00	30,457,376,000.00	5,038,256,982.55	672,456,324.65	79,833,220.09	3,052,786,180.00	497,716,299.67	23,262,404,290.69	73,717,510,431.65	18,399,820,698.57	92,117,321,130.22

The accompanying notes form an integral part of these financial statements

Audited Consolidated Statement of Changes in Shareholders' Equity (continued)For the year ended 31 December 2024
RMB

	Equity attributable to the shareholders of the parent company						Minority interests	Total shareholders' equity			
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve			General risk reserve	Retained earnings	Subtotal
I. Balance at the beginning of the year	10,677,771,134.00	16,499,000,000.00	5,432,314,011.21	686,302,301.69	62,794,408.27	2,620,134,353.87	495,759,173.46	27,155,839,982.99	63,629,915,365.49	31,266,023,142.90	94,895,938,508.39
II. Movements during the year	-	-	-	(53,940,051.63)	-	-	-	25,362,828.59	(28,677,223.04)	(1,359,095,588.49)	(1,387,772,791.53)
(1) Total comprehensive income	-	-	-	(53,940,051.63)	-	-	-	-	-	-	-
(2) Capital contribution and reduction from shareholders	-	-	(8,416,547.58)	-	-	-	-	-	(8,416,547.58)	(46,263,200.36)	(54,739,747.94)
1. Equity transactions that do not affect control	-	-	-	-	-	-	-	-	-	-	-
2. Reduction of minority interests upon disposal of subsidiaries	-	-	-	-	-	-	-	-	-	6,527,884.55	6,527,884.55
3. Reduction of minority interests upon deregistration of subsidiaries	-	-	-	-	-	-	-	-	-	(8,413,284,761.96)	(8,413,284,761.96)
4. Capital contributed by minority shareholders of non-wholly owned subsidiary	-	-	37,275,295.35	-	-	-	-	-	37,275,295.35	154,789,919.16	192,065,214.51
5. Business combinations not under common control	-	-	-	-	-	-	-	-	-	174,552,330.14	174,552,330.14
6. Capital reduction in minority interests in non-wholly owned subsidiary	-	-	-	-	-	-	-	-	-	(20,000,000.00)	(20,000,000.00)
7. Issuance of perpetual bonds	-	15,469,376,000.00	-	-	-	-	-	-	15,469,376,000.00	-	15,469,376,000.00
8. Redemption of perpetual bonds	-	(4,500,000,000.00)	-	-	-	-	-	-	(4,500,000,000.00)	-	(4,500,000,000.00)
(3) Profit distribution	-	-	-	-	-	315,665,882.81	-	(315,665,882.81)	-	-	-
1. Appropriation of surplus reserve	-	-	-	-	-	315,665,882.81	-	(315,665,882.81)	-	-	-
2. Dividend to shareholders	-	-	-	-	-	(715,410,665.98)	-	(715,410,665.98)	(715,410,665.98)	(407,800,811.57)	(1,123,211,477.55)
3. Interest on perpetual bonds	-	-	-	-	-	(882,597,950.00)	-	(882,597,950.00)	(882,597,950.00)	-	(882,597,950.00)
4. Appropriation of general risk reserve	-	-	-	-	-	-	376,689.18	(376,689.18)	-	-	-
(4) Specific reserve	-	-	-	-	184,915,826.52	-	-	-	184,915,826.52	181,634,758.63	366,550,585.15
1. Appropriated during the year	-	-	-	-	184,915,826.52	-	-	-	184,915,826.52	181,634,758.63	366,550,585.15
2. Use during the year	-	-	-	-	(179,294,683.56)	-	-	-	(179,294,683.56)	(179,738,353.34)	(359,033,036.90)
III. Balance at the end of the year	10,677,771,134.00	27,468,376,000.00	5,461,112,758.98	632,362,250.06	68,415,551.23	2,935,800,236.68	496,135,862.64	25,267,051,623.61	73,007,025,417.20	21,357,345,399.66	94,364,370,816.86

The accompanying notes form an integral part of these financial statements

Audited Consolidated Statement of Cash Flows

For the year ended 31 December 2024
RMB

	Note V	2024	2023
I. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		90,076,450,979.31	109,785,113,527.45
Refunds of taxes		457,571,169.30	800,123,442.67
Net decrease in deposits placed with the Central Bank		–	105,359,156.88
Cash received from other operating activities	69	<u>5,761,703,672.97</u>	<u>1,837,912,352.22</u>
Subtotal of cash inflows from operating activities		<u>96,295,725,821.58</u>	<u>112,528,508,479.22</u>
Cash paid for goods and services		78,565,282,839.73	84,060,867,067.60
Cash paid to and on behalf of employees		7,469,648,805.96	7,376,640,802.04
Cash paid for all types of taxes		5,462,450,615.28	6,624,954,973.99
Net increase in deposits placed with the Central Bank		25,752,214.54	–
Cash paid for other operating activities	69	<u>10,088,683,669.57</u>	<u>7,325,274,995.46</u>
Subtotal of cash outflows from operating activities		<u>101,611,818,145.08</u>	<u>105,387,737,839.09</u>
Net cash flows from operating activities	70	<u>(5,316,092,323.50)</u>	<u>7,140,770,640.13</u>
II. Cash flows from investing activities:			
Cash received from redemption of investments	69	2,934,795,414.61	3,306,494,721.21
Cash received from return on investments		291,233,868.00	398,890,923.11
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,412,532,309.17	2,654,765,812.98
Increase in net cash for acquisition of subsidiaries and other operating units	70	257,515,537.58	–
Cash received from other investing activities	69	<u>258,881,431.57</u>	<u>1,972,588,552.62</u>
Subtotal of cash inflows from investing activities		<u>5,154,958,560.93</u>	<u>8,332,740,009.92</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		3,414,123,799.10	3,284,137,746.18
Cash paid for investments	69	3,039,641,593.08	3,457,401,654.55
Net cash paid for acquisition of subsidiaries and other operating units		–	173,596,262.69
Decrease in net cash received from disposal of subsidiaries and other operating units	70	15,102,554.57	4,391,213.42
Cash paid for other investing activities	69	<u>694,779,000.00</u>	<u>88,851,000.00</u>
Subtotal of cash outflows from investing activities		<u>7,163,646,946.75</u>	<u>7,008,377,876.84</u>
Net cash flows from investing activities		<u>(2,008,688,385.82)</u>	<u>1,324,362,133.08</u>

The accompanying notes form an integral part of these financial statements

Audited Consolidated Statement of Cash Flows *(continued)*For the year ended 31 December 2024
RMB

	Note V	2024	2023
III. Cash flows from financing activities:			
Cash received from investment absorption		662,281,835.18	162,336,820.50
Including: Cash received by subsidiaries from minority interests		662,281,835.18	162,336,820.50
Cash received from issuance of bonds		17,288,500,000.00	14,248,500,000.00
Cash received from issuance of perpetual bonds		4,489,000,000.00	15,469,376,000.00
Cash received from borrowings		57,951,535,973.91	52,228,449,913.28
Cash received from other financing activities	69	496,360,506.63	48,059,610.00
Subtotal of cash inflows from financing activities		80,887,678,315.72	82,156,722,343.78
Cash paid for repayment of debts		45,840,599,707.45	43,616,776,461.86
Cash paid for distribution of dividends or profits or for interest expenses		4,923,988,704.59	5,546,284,037.08
Including: Dividends and profits paid by subsidiaries to minority shareholders		19,195,934.58	406,466,580.03
Cash paid for repayment of bonds		16,504,429,269.70	23,083,543,100.00
Cash paid for repayment of perpetual bonds		1,500,000,000.00	4,500,000,000.00
Cash paid for other financing activities	69	3,704,759,261.91	9,873,283,524.40
Subtotal of cash outflows from financing activities		72,473,776,943.65	86,619,887,123.34
Net cash flows from financing activities		8,413,901,372.07	(4,463,164,779.56)
IV. Effect of changes in exchange rate on cash and cash equivalent		2,621,543.33	1,734,316.12
V. Net increase in cash and cash equivalents	70	1,091,742,206.08	4,003,702,309.77
Add: Balance of cash and cash equivalents at the beginning of the year	70	13,779,108,469.50	9,775,406,159.73
VI. Balance of cash and cash equivalents at the end of the year	70	14,870,850,675.58	13,779,108,469.50

The financial statements have been signed by:

Officer-in-charge of the Company:

Jiang Yingwu

Chief accountant:

Zheng Baojin

Head of the accounting department:

Zhang Qicheng

The accompanying notes form an integral part of these financial statements

Audited Balance Sheet of the Company

As at 31 December 2024
RMB

Assets	Note XIV	31 December 2024	31 December 2023
Current assets			
Cash and bank balances		7,131,795,918.29	6,243,464,203.43
Accounts receivable		12,970,404.38	8,620,780.74
Other receivables	1	66,685,995,264.52	58,065,746,084.73
Other current assets	2	<u>728,088,929.83</u>	<u>642,310,000.00</u>
Total current assets		<u>74,558,850,517.02</u>	<u>64,960,141,068.90</u>
Non-current assets			
Long-term equity investments	3	66,117,688,596.92	64,115,192,488.50
Investment in other equity instruments		200,000.00	200,000.00
Other non-current financial assets		489,561,240.56	369,093,598.93
Investment properties	4	14,047,090,149.39	13,753,284,490.75
Fixed assets		729,051,441.75	793,391,725.85
Right-of-use assets		3,387,611.77	–
Intangible assets		306,391,942.86	317,829,345.75
Long-term deferred expenditures		6,226,321.42	7,910,527.26
Deferred income tax assets		119,652,060.43	148,905,425.13
Other non-current assets		<u>487,023,579.87</u>	<u>467,673,967.24</u>
Total non-current assets		<u>82,306,272,944.97</u>	<u>79,973,481,569.41</u>
Total assets		<u>156,865,123,461.99</u>	<u>144,933,622,638.31</u>

The accompanying notes form an integral part of these financial statements

Audited Balance Sheet of the Company *(continued)*As at 31 December 2024
RMB

Liabilities and equity attributable to shareholders	31 December 2024	31 December 2023
Current liabilities		
Short-term loans	21,789,889,327.02	25,011,889,845.88
Accounts payable	21,010,826.91	17,854,643.90
Receipts in advance	106,267,807.76	107,519,264.39
Wages payable	17,784,356.06	16,574,003.14
Tax payable	38,661,975.26	39,475,838.35
Other payables	2,358,573,876.37	2,700,798,457.23
Short-term financing bonds payable	6,026,458,630.14	6,018,292,602.73
Non-current liabilities due within one year	11,278,170,723.13	14,321,525,976.44
Total current liabilities	<u>41,636,817,522.65</u>	<u>48,233,930,632.06</u>
Non-current liabilities		
Long-term loans	35,013,600,000.00	21,584,190,000.00
Bonds payable	9,878,068,704.25	7,451,169,024.15
Lease liabilities	2,010,422.80	-
Long-term wages payable	162,495,406.46	171,706,497.46
Deferred income tax liabilities	2,740,531,924.69	2,664,552,986.90
Total non-current liabilities	<u>47,796,706,458.20</u>	<u>31,871,618,508.51</u>
Total liabilities	<u>89,433,523,980.85</u>	<u>80,105,549,140.57</u>
Equity attributable to shareholders		
Share capital	10,677,771,134.00	10,677,771,134.00
Other equity instruments	30,457,376,000.00	27,468,376,000.00
Including: Perpetual bonds	30,457,376,000.00	27,468,376,000.00
Capital reserve	6,674,854,902.82	6,674,854,902.82
Other comprehensive income	308,844,794.62	312,759,374.62
Surplus reserve	3,032,786,180.00	2,935,800,236.68
Retained earnings	16,279,966,469.70	16,758,511,849.62
Total equity attributable to shareholders	<u>67,431,599,481.14</u>	<u>64,828,073,497.74</u>
Total liabilities and equity attributable to shareholders	<u>156,865,123,461.99</u>	<u>144,933,622,638.31</u>

The financial statements have been signed by:

Officer-in-charge of the Company:
Jiang YingwuChief accountant:
Zheng BaojinHead of the accounting department:
Zhang Qicheng

The accompanying notes form an integral part of these financial statements

Audited Income Statement of the Company

For the year ended 31 December 2024
RMB

	Note XIV	2024	2023
Operating revenue	5	901,980,929.55	1,061,855,304.69
Less: Operating costs	5	107,547,041.85	244,452,690.54
Tax and surcharges		127,756,431.68	124,025,774.80
Selling expenses		21,882,339.76	26,351,385.82
Administrative expenses		214,837,224.15	130,956,158.87
Research and development expenses		120,078,104.34	80,916,529.89
Finance costs		363,595,619.31	180,079,892.59
Including: Interest expenses		2,239,217,862.81	2,289,401,302.43
Interest income		1,889,227,006.64	2,140,406,971.56
Add: Other gains		853,095.50	421,174.73
Investment gains	6	650,214,332.93	738,143,967.64
Including: Gain from investment in associates and joint ventures		94,092,971.50	27,710,318.70
Gains from changes in fair value		290,210,166.75	434,388,528.93
Credit impairment losses		9,113,985.00	–
Gains on disposal of assets		163,487,018.78	1,968,957,893.11
Operating profit		1,060,162,767.42	3,416,984,436.59
Add: Non-operating revenue		15,293,064.01	22,485,014.98
Less: Non-operating expenses		364,095.71	11,524,294.34
Total profit		1,075,091,735.72	3,427,945,157.23
Less: Income tax expenses		105,232,302.49	271,286,329.16
Net profit		969,859,433.23	3,156,658,828.07
Including: Net profit from continuing operations		969,859,433.23	3,156,658,828.07
Net other comprehensive income after tax		(3,914,580.00)	(165,494.00)
Other comprehensive income not allowed to be reclassified into profit or loss			
Changes arising from re-measurement of defined benefit plans		(3,914,580.00)	(165,494.00)
Total comprehensive income		965,944,853.23	3,156,493,334.07

The financial statements have been signed by:

Officer-in-charge of the Company:
Jiang Yingwu

Chief accountant:
Zheng Baojin

Head of the accounting department:
Zhang Qicheng

The accompanying notes form an integral part of these financial statements

Audited Statement of Changes in Shareholders' Equity of the Company

For the year ended 31 December 2024

RMB

2024

	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total equity attributable to shareholders
I. Balance at the beginning of the year	<u>10,677,771,134.00</u>	<u>27,468,376,000.00</u>	<u>6,674,854,902.82</u>	<u>312,759,374.62</u>	<u>2,935,800,236.68</u>	<u>16,758,511,849.62</u>	<u>64,828,073,497.74</u>
II. Movements during the year							
(1) Total comprehensive income	-	-	-	(3,914,580.00)	-	969,859,433.23	965,944,853.23
(2) Capital contribution and reduction from shareholders							
1. Issuance of perpetual bonds	-	4,489,000,000.00	-	-	-	-	4,489,000,000.00
2. Redemption of perpetual bonds	-	(1,500,000,000.00)	-	-	-	-	(1,500,000,000.00)
(3) Profit distribution							
1. Dividend to shareholders	-	-	-	-	-	(266,944,278.35)	(266,944,278.35)
2. Interest on perpetual bonds	-	-	-	-	-	(1,084,474,591.48)	(1,084,474,591.48)
3. Appropriation of surplus reserve	-	-	-	-	96,985,943.32	(96,985,943.32)	-
III. Balance at the end of the year	<u>10,677,771,134.00</u>	<u>30,457,376,000.00</u>	<u>6,674,854,902.82</u>	<u>308,844,794.62</u>	<u>3,032,786,180.00</u>	<u>16,279,966,469.70</u>	<u>67,431,599,481.14</u>

2023

	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total equity attributable to shareholders
I. Balance at the beginning of the year	<u>10,677,771,134.00</u>	<u>16,499,000,000.00</u>	<u>6,674,854,902.82</u>	<u>312,924,868.62</u>	<u>2,620,134,353.87</u>	<u>15,515,527,520.34</u>	<u>52,300,212,779.65</u>
II. Movements during the year							
(1) Total comprehensive income	-	-	-	(165,494.00)	-	3,156,658,828.07	3,156,493,334.07
(2) Capital contribution and reduction from shareholders							
1. Issuance of perpetual bonds	-	15,469,376,000.00	-	-	-	-	15,469,376,000.00
2. Redemption of perpetual bonds	-	(4,500,000,000.00)	-	-	-	-	(4,500,000,000.00)
(3) Profit distribution							
1. Dividend to shareholders	-	-	-	-	-	(715,410,665.98)	(715,410,665.98)
2. Interest on perpetual bonds	-	-	-	-	-	(882,597,950.00)	(882,597,950.00)
3. Appropriation of surplus reserve	-	-	-	-	315,665,882.81	(315,665,882.81)	-
III. Balance at the end of the year	<u>10,677,771,134.00</u>	<u>27,468,376,000.00</u>	<u>6,674,854,902.82</u>	<u>312,759,374.62</u>	<u>2,935,800,236.68</u>	<u>16,758,511,849.62</u>	<u>64,828,073,497.74</u>

The accompanying notes form an integral part of these financial statements

Audited Statement of Cash Flows of the Company

For the year ended 31 December 2024
RMB

	Note XIV	2024	2023
I. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		963,096,838.01	1,021,161,958.43
Refunds of taxes		–	421,174.73
Cash received from other operating activities	7	<u>20,721,315,004.79</u>	<u>45,575,955,766.48</u>
Subtotal of cash inflows from operating activities		<u>21,684,411,842.80</u>	<u>46,597,538,899.64</u>
Cash paid for goods and services		64,977,227.59	92,032,727.59
Cash paid to and on behalf of employees		105,880,979.82	102,167,888.96
Cash paid for all types of taxes		180,947,682.17	194,472,873.86
Cash paid for other operating activities	7	<u>27,750,997,491.10</u>	<u>35,125,268,201.75</u>
Subtotal of cash outflows from operating activities		<u>28,102,803,380.68</u>	<u>35,513,941,692.16</u>
Net cash flows from operating activities	8	<u>(6,418,391,537.88)</u>	<u>11,083,597,207.48</u>
II. Cash flows from investing activities:			
Cash received from redemption of investments		31,319,379.39	528,182,322.60
Cash received from return on investments		604,461,703.57	722,604,015.08
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		34,835,577.50	611,859,765.12
Net cash received from disposal of subsidiaries and other operating units		<u>2,352,684.13</u>	–
Subtotal of cash inflows from investing activities		<u>672,969,344.59</u>	<u>1,862,646,102.80</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		44,111,493.10	31,671,096.99
Cash paid for investments		<u>2,402,322,609.69</u>	<u>9,294,605,199.42</u>
Subtotal of cash outflows from investing activities		<u>2,446,434,102.79</u>	<u>9,326,276,296.41</u>
Net cash flows from investing activities		<u>(1,773,464,758.20)</u>	<u>(7,463,630,193.61)</u>

The accompanying notes form an integral part of these financial statements

Audited Statement of Cash Flows of the Company *(continued)*For the year ended 31 December 2024
RMB

	Note XIV	2024	2023
III. Cash flows from financing activities:			
Cash received from issuance of bonds		8,500,000,000.00	14,248,500,000.00
Cash received from borrowings		48,043,912,798.50	38,822,410,000.00
Cash received from issuance of perpetual bonds		<u>4,489,000,000.00</u>	<u>15,469,376,000.00</u>
Subtotal of cash inflows from financing activities		<u>61,032,912,798.50</u>	<u>68,540,286,000.00</u>
Cash paid for repayment of debts		38,265,900,000.00	39,590,290,000.00
Cash paid for distribution of dividends or profits or for interest expenses		3,601,334,363.85	4,319,349,752.12
Cash paid for repayment of bonds		8,613,000,000.00	23,083,530,000.00
Cash paid for repayment of perpetual bonds		1,500,000,000.00	4,500,000,000.00
Cash paid for other financing activities		<u>2,573,000.00</u>	<u>—</u>
Subtotal of cash outflows from financing activities		<u>51,982,807,363.85</u>	<u>71,493,169,752.12</u>
Net cash flows from financing activities)		<u>9,050,105,434.65</u>	<u>(2,952,883,752.12)</u>
IV. Effect of changes in exchange rate on cash and cash equivalent		82,476.29	—
V. Net increase in cash and cash equivalents		858,331,614.86	667,083,261.75
Add: Balance of cash and cash equivalents at the beginning of the year		<u>6,243,464,203.43</u>	<u>5,576,380,941.68</u>
VI. Balance of cash and cash equivalents at the end of the year	8	<u>7,101,795,818.29</u>	<u>6,243,464,203.43</u>

The financial statements have been signed by:

Officer-in-charge of the Company:
Jiang YingwuChief accountant:
Zheng BaojinHead of the accounting department:
Zhang Qicheng

The accompanying notes form an integral part of these financial statements

Notes to Financial Statements

For the year ended 31 December 2024
RMB

I. BASIC INFORMATION

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

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

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

These financial statements were approved for disclosure by a resolution of the board of directors of the Company on 28 March 2025.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

1. Basis of preparation

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

2. Going concern

The financial statements are presented on a going concern basis.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

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

1. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and present fairly and fully the financial position of the Company and the Group as at 31 December 2024 and their financial performance and cash flows for 2024.

2. Accounting period

The accounting year for the Group is from 1 January to 31 December of each calendar year.

3. Functional currency

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

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

4. Methods for determining materiality standards and selection criteria

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

5. Business combinations

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

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

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

6. Consolidated financial statements

The consolidation scope of consolidated financial statements is determined on the basis of control, including the financial statements of the Company and all of its subsidiaries. A subsidiary is an entity (including an enterprise, a separable part of an investee, a structural entity controlled by the Company, etc.) that is controlled by the Company. An investor can control an investee only when it possesses the following three elements: the investor has power over the investee; has exposure, or rights, to variable returns from its involvement with the investee; has the ability to affect those returns through its power over the investee.

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

6. Consolidated financial statements *(continued)*

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

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

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

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

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

7. Classification of joint arrangements and joint operation

Joint arrangements are divided into joint operation and joint venture. Joint operation refers to a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations of the liabilities relating to the arrangement. Joint venture refers to a joint arrangement whereby the parties that have joint control of the arrangement only have rights to the net assets of the arrangement.

8. Cash and cash equivalents

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

9. Foreign currency transactions and translation of financial statements prepared in foreign currencies

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

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

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

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

10. Financial instruments

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

(1) Recognition and derecognition of financial instruments

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

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

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

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

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

(2) Classification and measurement of financial assets

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

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

10. Financial instruments *(continued)*

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

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

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

Debt instrument investment measured at amortised cost

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

Debt instruments investment at fair value through other comprehensive income

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

Equity instruments investment at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

10. Financial instruments *(continued)*

(3) Classification and measurement of financial liabilities

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

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

Financial liabilities at amortised costs

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

(4) Impairment of financial instruments

Determination and accounting treatment of expected credit losses

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

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

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

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

The Group assesses expected credit loss of financial instruments individually and in group. After considering the credit risk characteristics of difference customers, the Group assesses the expected credit loss of financial assets measured at amortized cost based on common risk characteristics and age combinations. The Group calculates the overdue aging based on the contractual payment date. In addition to the aforementioned group evaluation of expected credit losses on financial instruments, the Group individually assesses its expected credit losses.

Notes to Financial Statements *(continued)*

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

10. Financial instruments *(continued)*

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

Determination and accounting treatment of expected credit losses (continued)

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

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

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

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

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

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

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

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

Write-off of provision for impairment

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

(5) **Offset of financial instruments**

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

(6) **Derivative financial instruments**

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

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

10. Financial instruments *(continued)*

(7) Convertible bonds

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

(8) Transfers of financial assets

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

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

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

11. Inventories

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

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

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

The Group adopts a perpetual inventory system.

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

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

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

12. Long-term equity investments

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

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

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

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

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

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

12. Long-term equity investments *(continued)*

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

13. Investment properties

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

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

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

- (1) the investment properties are located in places where the property markets are active. The Group's current investment properties, most of which are commercial properties at developed commercial districts, are primarily located at urban core districts of Beijing, Tianjin, Shanghai, Hefei and Chengdu where the property markets are relatively active. The Group is able to obtain market price and other related information of properties of the same category or similar nature. It is practicable for the Group to adopt the fair value model for subsequent measurement of the investment properties.
- (2) the Group is able to obtain market price and other related information of properties of the same category or similar nature from the property markets, by which the Group makes a reasonable estimation of the fair value of its investment properties.

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)***13. Investment properties** *(continued)*

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.

14. Fixed assets

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

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

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

	Useful life	Estimated net residual value	Annual depreciation rate %
Buildings	20-40 years	3.00-5.00	2.38-4.85
Machinery and equipment	12-15 years	3.00-5.00	6.33-8.08
Transportation equipment	5-10 years	3.00-5.00	9.50-19.40
Office and other equipment	5-6 years	3.00-5.00	15.83-19.40

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

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

15. Construction in progress

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

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

Standard of transfer to fixed assets

Buildings	Put into actual use
Machinery and equipment	Completion of installation, commissioning, and acceptance
Transportation equipment	Completion of acceptance
Office and other equipment	Completion of acceptance

16. Borrowing costs

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

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

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

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

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)***17. Intangible assets****(1) Useful lives of intangible assets**

Intangible assets with indefinite use life (mainly trademarks) shall not be amortised and shall be tested for impairment at least every year, irrespective of whether there is any indication that the asset may be impaired; the useful life is reassessed in each accounting period. If there is evidence indicating that the useful life of that intangible asset becomes finite, it shall be accounted for by applying the accounting policy for intangible assets with a finite useful life.

The intangible assets of the Group consist of land use rights, mining rights, trademarks and software use rights.

The remaining intangible assets are amortized using the straight-line method or at volume of mining over their useful lives, which are as follows:

	Useful life	Determination basis
Land use rights	20-60 years	Term of land use rights
Software use rights	3-10 years	Validity period of registration
Mining rights	Amortised at volume of mining	Permitted mining volume in mining rights certificate

(2) R&D expenditure

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

18. Impairment of asset

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

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

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

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

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

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

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

Notes to Financial Statements *(continued)*

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

19. Long-term deferred expenditures

Long-term deferred expenditures represent expenditures incurred but should be recognised as expenses over more than one year in the current year and subsequent periods, including costs of leasehold improvements, renovation expenses and stripping cost of mines. A long-term deferred expenditures is amortised using the straight-line method according to the period over which it is estimated to generate economic benefits for the Group.

20. Employee benefits

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

(1) Short-term benefits

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

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

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

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

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

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

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

Notes to Financial Statements *(continued)*

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

20. Employee benefits *(continued)*

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

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

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

(4) *Termination benefits*

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

21. Estimated liabilities

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

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

22. Other equity instruments

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

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

23. Revenue from contracts with customers

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

(1) Sales contracts of goods

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

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

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

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

For sales with a sales return clause, the Group recognizes revenue based on the amount of consideration expected to be received by the customer for the transfer of the goods to the customer, and recognizes the amount that is expected to be refunded as a result of the sales return as an estimated liability. The remaining amount, subsequent to deduction of expected costs from collecting the goods (including the decrease in value of the returned goods), that is returns cost receivables, is recognized as an asset in accordance with the carrying value during the expected transfer of returned goods after deducting the costs of the above net assets carried forward. On each balance sheet date, the Group re-estimates the future sales return and re-measures the above assets and liabilities.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

23. Revenue from contracts with customers *(continued)*

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

The Group provides quality assurance for the goods sold or the assets constructed pursuant to contractual agreement and laws and regulations. The Group performs accounting treatments in accordance with Note III. 21 with a view to providing guarantee to the customers that the goods sold meet the established quality standards. In addition to providing guarantee to the customers that the goods sold meet the established quality standards, providing the customers with a separate quality assurance for goods sold beyond the statutory warranty period or scope is regarded as a separate performance obligation by the Group. Based on the relative proportion of the individual selling prices of providing quality assurance for goods and services, part of the transaction price is allocated to quality assurance of services and revenue is recognized when the customers take control of the services.

After receiving commodities held for trading or taking control over other assets from third parties, the Group transfers them to customers. Considering the legal form of the contract and relevant facts and circumstances (such as the main responsibilities for transferring goods to customers, inventory risks before or after transferring goods, and the authority to independently determine the price of traded goods), the Group believes that it can control the use of goods and derive almost all economic benefits before transferring them to customers. As the main responsible person, the Group has control over the goods. Therefore, revenue is recognized according to the total amount received or receivable when the goods are delivered to the customer and acceptance is completed.

(2) *Contracts for provision of services*

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

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

23. Revenue from contracts with customers *(continued)*

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

Construction Contracts

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

The Group provides quality assurance for the assets constructed pursuant to contractual agreement and laws and regulations. The Group performs accounting treatments in accordance with Note III. 21 with a view to providing guarantee to the customers that the assets constructed meet the established quality standards. In addition to providing guarantee to the customers that the assets constructed meet the established quality standards, providing the customers with a separate quality assurance for the assets constructed is regarded as a separate performance obligation by the Group. In assessing whether quality assurance is provided as a separate service other than providing guarantee to the customers that the assets constructed meet the established quality standards, the Group considers factors such as whether the quality assurance is a statutory requirement, the term of quality assurance and nature of the Group's commitment to perform its obligations. Based on the relative proportion of the individual selling prices of providing quality assurance for goods and services, part of the transaction price is allocated to quality assurance of services and revenue is recognized when the customers take control of the services.

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

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

24. Contract assets and contract liabilities

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

(1) *Contract assets*

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

Details of the Group's determination method and accounting treatment for expected credit losses of contract assets are set forth in Note III. 10.

(2) *Contract liabilities*

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

25. Assets related to contractual cost

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

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

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

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

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

25. Assets related to contractual cost *(continued)*

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

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

26. Government grants

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

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

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

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

27. Deferred income tax

Deferred income tax is recognised under the balance sheet liability method based on the temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, and temporary differences between the tax bases and carrying amounts in respect of items not recognized as assets and liabilities, but the tax bases being determinable under tax law.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- (1) where the taxable temporary differences arise from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or deductible tax loss, and the initial recognition of an asset and liability did not result in equal taxable temporary differences and deductible temporary differences;
- (2) in respect of taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

A deferred income tax asset is recognised for deductible temporary differences, and unused deductible tax losses and tax credits that can be carried forward, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, deductible tax losses and tax credits can be utilised, except:

- (1) where the deductible temporary difference arises from a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or deductible tax loss, and the initial recognition of an asset and liability did not result in equal taxable temporary differences and deductible temporary differences;
- (2) in respect of the deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the deductible temporary differences can be utilised in the future.

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

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

27. Deferred income tax *(continued)*

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

28. Leases

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

(1) As a lessee

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

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

28. Leases *(continued)*

(1) *As a lessee (continued)*

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

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

(2) *As a lessor*

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

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

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

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

Notes to Financial Statements *(continued)*

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

29. Hedge accounting

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

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

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

As a lessor of a finance lease

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

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

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

(1) Fair value hedge

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

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

Notes to Financial Statements *(continued)*

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

29. Hedge accounting *(continued)*

As a lessor of a finance lease (continued)

(2) Cash flow hedging

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

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

30. Production safety cost

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

31. Fair value measurement

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

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

32. Securitisation

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

Notes to Financial Statements *(continued)*

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

33. Significant accounting judgments and estimates

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

(1) Judgments

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

Operating lease commitments – Group as lessor

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

Classification between investment properties and inventories

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

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

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

Notes to Financial Statements *(continued)*

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

33. Significant accounting judgments and estimates *(continued)*

(1) *Judgments (continued)*

Classification between investment properties and fixed assets

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

Other equity instruments – perpetual bonds

As described in Note V. 45, as of 31 December 2024, the perpetual bond balance in other equity instruments of the Group amounted to RMB30.5 billion. Pursuant to the relevant prospectuses, perpetual bonds investment contracts and other documents, upon comprehensive consideration by the management of the Group that the perpetual bonds have no maturity dates or the Group has the right to extend for unlimited number of times upon the maturity thereof, and has the right to deferred the payment of coupon interests on the perpetual bonds, and that the Group has no contractual obligations to pay cash or other financial assets nor to exchange financial assets or financial liabilities under potential adverse condition with the holders of the perpetual bonds, the Group classifies the perpetual bonds as equity instruments, and the subsequent declared distribution will be treated as distribution to the holders of the equity.

Business model

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

Characteristics of contract cash flow

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

33. Significant accounting judgments and estimates *(continued)*

(2) *Uncertainty of estimation*

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

Impairment of financial instruments

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

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the present value of the expected future cash flows from an asset group or set of asset groups to which the goodwill is allocated. Estimating the present value of the expected future cash flows requires the Group to make an estimation of the expected future cash flows from an asset group or set of asset groups and also choose a suitable discount rate in order to calculate the present value of those future cash flows.

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

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

Fair value of non-listed equity investment

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

33. Significant accounting judgments and estimates *(continued)*

(2) *Uncertainty of estimation (continued)*

Deferred income tax assets

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

Land appreciation tax

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

Fair value of investment properties

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

Recognition and allocation of development costs on properties under construction

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

33. Significant accounting judgments and estimates *(continued)*

(2) Uncertainty of estimation *(continued)*

Provision for decline in value of inventory

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

Measurement of defined benefit obligations

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

Useful lives and residual values of fixed assets

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

Lessee's incremental borrowing rate

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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IV. TAXATION

1. Major categories of taxes and respective tax rates

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

IV. TAXATION *(continued)*

2. Tax Concessions

Corporate income tax

- a. Certain subsidiaries of the Group are certified as high-tech enterprises by relevant governmental authorities and enjoy a preferential corporate income tax rate of 15% for high-tech enterprises pursuant to the implementation rules of the Law on Enterprise Income Tax of the People's Republic of China and the Notice of the State Administration of Taxation of the PRC regarding Income Tax Preferences for High-tech Enterprises (《國家稅務總局關於高新技術企業所得稅優惠有關問題的通知》). Tangshan Jidong Mechanical and Electrical Equipment Mongolia Co., Ltd., a subsidiary of the Group, is a non-resident enterprise and is subject to corporate income tax at the applicable tax rate of 10% according to local regulations. According to the Announcement on Further Implementing the Preferential Income Tax Policies for Small and Micro Enterprises, from 1 January 2022 to 31 December 2024, the portion of annual taxable income of a small low-profit enterprise which exceeds RMB1 million but does not exceed RMB3 million shall be calculated at a reduced rate of 25% as taxable income amount and shall be subject to EIT at 20% tax rate. According to the Announcement on the Preferential Income Tax Policies for Small and Micro Enterprises and Self-Employed Individuals, from 1 January 2023 to 31 December 2024, the portion of annual taxable income of a small low-profit enterprise not exceeding RMB1 million shall be calculated at a reduced rate of 25% as taxable income amount and shall be subject to EIT at 20% tax rate. Certain subsidiaries of the Group enjoyed the above-mentioned preferential corporate income tax policy during the year.
- b. Pursuant to the Notice on the Issues concerning the Taxation Policies for Deepening the Implementation of the Develop-the-West Strategy (《關於深入實施西部大開發戰略有關稅收政策問題的通知》) (Cai Shui [2011] No. 58), Announcement [2012] No.12 of the State Administration of Taxation on the Corporate Income Tax in relation to Deepening the Implementation of the Western Development Strategy (《關於深入實施西部大開發戰略有關企業所得稅問題的公告》) and Announcement 2020 No. 23 of the Ministry of Finance, the State Taxation Administration, and the National Development and Reform Commission of Announcement on Renewing Income Tax Policy for Western Development (《關於延續西部大開發企業所得稅政策的公告》), certain subsidiaries of the Company located in Western China meeting the criteria were subject to corporate income tax at rate of 15% after obtaining the approval from the competent tax authorities.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

IV. TAXATION *(continued)*

2. Tax Concessions *(continued)*

Value-added tax (VAT)

Certain subsidiaries of the Group enjoy the following VAT preferences:

- a. In accordance with the relevant policies of the “Announcement on Improving the Value-added Tax Policy for Comprehensive Utilization of Resources” (關於完善資源綜合利用增值稅政策的公告) (Cai Shui (2021) No. 40) which took effect from 1 March 2022, if a subsidiary of BBMG which is engaged in cement production, adopts rotary kiln process for cement production, the proportion of waste residue (excluding limestone waste residue) in raw materials of cements with grade 42.5 and above is not lower than 20% and that in raw materials of other cements and cement clinkers is not lower than 40%, it may enjoy 70% VAT refund upon collection. According to the relevant policies of the “Announcement on Improving the Value-added Tax Policy for Comprehensive Utilization of Resources” (關於完善資源綜合利用增值稅政策的公告) (Cai Shui (2021) No. 40), if a subsidiary of the Group with pollutant and waste disposal capacity, is engaged in labor services such as waste disposal and sludge treatment and disposal, it may enjoy 70% VAT refund upon collection.
- b. In accordance with the relevant policies of the “Announcement on Improving the Value-added Tax Policy for Comprehensive Utilization of Resources” (關於完善資源綜合利用增值稅政策的公告) (Cai Shui (2021) No. 40) which took effect from 1 March 2022, a minor portion of products of BBMG Mortar Co., Ltd., Tianjin Jinyu Treasure Bright Mortar Co., Ltd. and Tangshan Dunshi Dry Powder Building Materials Co., Ltd., being the subsidiaries of the Group, meet the requirement of Comprehensive Utilization of Resources, enjoying 70% VAT refund upon collection.
- c. In accordance with the requirements of the Notice concerning the Value-added Tax Policy for Novel Wall Materials (《關於新型牆體材料增值稅政策的通知》) (Cai Shui [2015] No. 73), Tangshan Jinyu Aerated Concrete Co., Ltd., being a subsidiary of the Group, enjoy 50% VAT refund upon collection preferential policy in respect of their eligible novel wall materials.
- d. In accordance with the requirements of the Notice of the Ministry of Finance and the State Administration of Taxation on Value-added Tax Policies for Software Products (《財政部國家稅務總局關於軟件產品增值稅政策的通知》) (Cai Shui [2011] No. 100), Tangshan Dunshi Information and Technology Co., Ltd. enjoys the preferential VAT policy of refund upon collection in respect of the actual tax burden exceeding 3% for the software it sells.
- e. In accordance with the overall requirements of the “Encouraging Measures for Further Supporting Industrial Agglomeration and Innovative Development in Tianjin Dongjiang Free Trade Port Zone” (Revised) (Jin Dong Jiang Fa [2021] No. 24), if the quarterly VAT of BBMG Tianjian Smart Logistics (Tianjin) Co., Ltd., a subsidiary of the Group, reaches RMB15 million (inclusive), the company will receive financial support based on 90% of its actual economic contribution to the Dongjiang Free Trade Port Zone with respect to VAT, city maintenance and construction tax, stamp duty and corporate income tax from 2023 to 2025.

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS****1. Cash and bank balances**

	2024	2023
Cash on hand	232,400.43	447,812.31
Bank deposits	16,804,617,275.51	15,605,166,555.47
Other cash and bank balances	319,994,783.81	555,020,665.35
Statutory deposit reserve placement with central bank by finance company	<u>1,167,233,816.33</u>	<u>1,171,481,701.79</u>
Total	<u>18,292,078,276.08</u>	<u>17,332,116,734.92</u>
Including: Total amount of funds deposited overseas	<u>155,792,904.68</u>	<u>122,609,680.86</u>

2. Financial assets held for trading

	2024	2023
Financial assets at fair value through profit or loss		
Debt instruments investment	1,152,935,304.61	535,773,605.33
Equity instrument investment	<u>19,658,100.00</u>	<u>14,623,400.00</u>
Total	<u>1,172,593,404.61</u>	<u>550,397,005.33</u>

3. Bills receivable**(1) Classification of bills receivable**

	2024	2023
Bank acceptance bills	113,666,910.13	256,403,385.75
Commercial acceptance bills	<u>713,601,985.78</u>	<u>383,900,242.57</u>
Less: Provision for bad debts of bills receivable	<u>19,946,374.12</u>	<u>27,123,603.53</u>
Total	<u>807,322,521.79</u>	<u>613,180,024.79</u>

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

3. Bills receivable *(continued)*

(2) Pledged bills receivable

	2024
Bank acceptance bills	4,315,075.78
Commercial acceptance bills	2,495,421.54
Total	6,810,497.32

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

	31 December 2024		31 December 2023	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance bills	–	90,876,462.23	–	72,991,177.23
Commercial acceptance bills	–	226,577,905.13	–	207,745,893.41
Total	–	317,454,367.36	–	280,737,070.64

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

	2024	2023
Opening balance	27,123,603.53	27,780,744.42
Provision for the year	4,461,815.00	5,200,998.61
Reversal for the year	(10,960,393.95)	(5,858,139.50)
Others	(678,650.46)	–
Closing balance	19,946,374.12	27,123,603.53

See Note VIII. 4 for transfer of bills receivable.

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS***(continued)***4. Accounts receivable****(1) Disclosure by aging**

	2024	2023
Within 1 year	8,804,588,458.98	6,189,659,061.37
1 to 2 years	1,659,776,776.26	1,712,414,104.79
2 to 3 years	742,826,971.80	969,555,899.61
3 to 4 years	365,777,835.68	483,129,415.95
4 to 5 years	181,094,486.94	263,346,501.24
Over 5 years	<u>1,500,012,573.94</u>	<u>1,432,160,614.19</u>
	13,254,077,103.60	11,050,265,597.15
Less: Provision for bad debts of accounts receivable	<u>2,666,635,696.36</u>	<u>2,859,818,742.38</u>
Total	<u>10,587,441,407.24</u>	<u>8,190,446,854.77</u>

(2) Disclosure by provision method for bad debt

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

4. Accounts receivable *(continued)*

(2) Disclosure by provision method for bad debt *(continued)*

	Balance of carrying amount		31 December 2023		Carrying value
	Amount	Proportion (%)	Provision for bad debts Amount	Proportion of provision (%)	
Individual provision for bad debts	1,446,636,893.99	13.09	761,717,087.64	52.65	684,919,806.35
Provision for bad debts by credit risk characteristics group	<u>9,603,628,703.16</u>	<u>86.91</u>	<u>2,098,101,654.74</u>	<u>21.85</u>	<u>7,505,527,048.42</u>
Total	<u>11,050,265,597.15</u>	<u>100.00</u>	<u>2,859,818,742.38</u>	<u>25.88</u>	<u>8,190,446,854.77</u>

Accounts receivable which were subject to individual provision for bad debts are as follows:

2024

	Balance of carrying amount	Provision for bad debts	Reasons for provision
Unit 1	95,793,205.69	20,081,584.22	Partly uncollectible
Unit 2	67,170,448.13	67,170,448.13	All uncollectible
Unit 3	62,461,027.70	62,461,027.70	All uncollectible
Unit 4	56,559,690.36	56,559,690.36	All uncollectible
Unit 5	45,935,163.55	459,351.64	Partly uncollectible
Unit 6	40,165,481.70	40,165,481.70	All uncollectible
Other units	<u>1,973,766,951.70</u>	<u>472,456,440.55</u>	Partly uncollectible
Total	<u>2,341,851,968.83</u>	<u>719,354,024.30</u>	

Notes to Financial Statements (continued)

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable (continued)**(2) Disclosure by provision method for bad debt** (continued)

Accounts receivable which were subject to individual provision for bad debts are as follows:
(continued)

2023

	Balance of carrying amount	Provision for bad debts	Reasons for provision
Unit 1	95,793,205.69	20,081,584.22	Partly uncollectible
Unit 2	67,170,448.13	67,170,448.13	All uncollectible
Unit 3	62,461,027.70	62,461,027.70	All uncollectible
Unit 4	56,559,690.36	56,559,690.36	All uncollectible
Unit 5	40,165,481.70	40,165,481.70	All uncollectible
Other units	1,124,487,040.41	515,278,855.53	Partly uncollectible
Total	1,446,636,893.99	761,717,087.64	

Accounts receivable which are subject to provision for bad debts by group were as follows:

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

(3) Provision for bad debts

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

	2024	2023
Opening balance	2,859,818,742.38	2,721,890,819.75
Provision for the year	141,867,196.01	173,037,229.09
Transfer in from acquired subsidiaries	26,130,224.02	41,793,582.13
Reversal for the year	(322,438,335.02)	(13,585,182.75)
Write-off for the year	(1,226,624.82)	(37,314,018.38)
Transfer out upon disposal of subsidiaries	(37,515,506.21)	(26,006,542.10)
Other transfer in	-	2,854.64
Closing balance	2,666,635,696.36	2,859,818,742.38

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

4. Accounts receivable *(continued)*

(3) Provision for bad debts *(continued)*

Among them, the significant amounts for the recovery or reversal of bad debt provisions for the current year are as follows:

	Amount recovered or reversed	Reason of reversal	Method of recovery	Basis of determining original provision ratio of bad debt and its rationality
Unit 3	17,008,054.66	Payment recovery	Bank deposits	Individual provision
Unit 7	14,759,644.64	Payment recovery	Bank deposits	Individual provision
Unit 8	11,190,561.35	Payment recovery	Bank deposits	Individual provision
Unit 9	9,408,021.03	Payment recovery	Bank deposits	Individual provision
		Third-party debt	Third-party debt	
Unit 10	8,281,685.91	transfer	transfer	Individual provision
Unit 11	7,460,670.08	Payment recovery	Bank deposits	Individual provision
Unit 12	7,327,623.18	Payment recovery	Bank deposits	Individual provision
		Payment recovery, third-party debt	Bank deposits, third- party debt transfer, and debt settlement	
Other units	247,002,074.17	settlement through property	through property	Individual provision
Total	322,438,335.02			

(4) Actual write-off amount of accounts receivable

The actual write-off amount for the year is RMB1,226,624.82, with the significant items as follows:

	Nature	Write-off amount	Write-off reason	Write-off procedure performed	Whether generated form related transactions
Unit 13	Warranty deposit	760,000.00	Note 1	Group Approval	No
Other units	Warranty deposit	466,624.82	Note 1	Group Approval	No

Note 1: The payments is irrecoverable for a long time after the court judgment took effect, the enterprise was deregistered and a notice of termination of enforcement has been issued, etc.

Notes to Financial Statements (continued)

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable (continued)**(5) Top five accounts receivable and contract assets by closing balance of debtors**

	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of long-term receivables	Sub-total	Percentage of the total closing balance of accounts receivable, long- term receivables and contract assets (%)	Closing balance of bad debt provision for accounts receivable, long- term receivables and impairment provision for contract assets
First	921,958,054.00	-	-	921,958,054.00	5.81	8,315,590.73
Second	222,191,497.27	-	17,263,896.26	239,455,393.53	1.51	28,256,608.69
Third	231,800,852.33	-	28,929,604.91	260,730,457.24	1.64	15,989,295.88
Fourth	181,340,335.20	14,499,880.40	4,409,643.23	200,249,858.83	1.26	17,472,533.02
Fifth	157,405,313.39	-	10,045,443.03	167,450,756.42	1.06	26,937,725.25
Total	1,714,696,052.19	14,499,880.40	60,648,587.43	1,789,844,520.02	11.28	96,971,753.57

5. Financing receivables**(1) Classification of financing receivables**

	2024	2023
Bank acceptance bills	885,835,186.93	763,501,720.37

Due to the needs of daily fund management, the subsidiaries of the Group endorsed or discounted bank acceptance bills. The Group therefore classified bank acceptance bills as financial assets at fair value through other comprehensive income.

As at 31 December 2024, the pledged bank acceptance bills of RMB6,810,497.32 was used for invoicing. For details of discounting and pledge of bank acceptance bills, please refer to Note V. 26.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

5. Financing receivables *(continued)*

(1) Classification of financing receivables *(continued)*

As at 31 December 2024, the Group's bills endorsed or discounted but not yet due are as follows:

	Derecognised at the end of the year	Not derecognised at the end of the year
Bank acceptance bills	<u>6,406,717,625.70</u>	–

As at 31 December 2023, the Group's bills endorsed or discounted but not yet due are as follows:

	Derecognised at the end of the year	Not derecognised at the end of the year
Bank acceptance bills	<u>2,504,171,864.36</u>	–

As at 31 December 2024, the Group endorsed the undue notes receivable to its suppliers or discounted to banks to settle trade payables of the same amounts and derecognized these notes receivable and the payables to suppliers in their entirety as the Group's management considered that the risks and rewards of ownership of these undue bills have been substantially transferred. The Group's continuous involvement in these derecognized undue notes receivable is limited to when the issuance banks of these undue notes are unable to settle the amounts due to the holders of these notes. As at 31 December 2024, the maximum exposure to loss from its continuous involvement represents the amounts of undue notes receivable of RMB6,406,717,625.70 (31 December 2023: RMB2,504,171,864.36), which the Group endorsed to its suppliers or discounted to banks.

6. Prepayments

(1) Prepayments by aging

	2024		2023	
	Balance of carrying amount	Proportion (%)	Balance of carrying amount	Proportion (%)
Within 1 year	2,984,701,202.67	95.26	1,927,812,071.27	94.15
1 to 2 years	83,144,574.31	2.65	78,377,883.05	3.83
2 to 3 years	37,009,480.11	1.18	12,651,373.85	0.62
Over 3 years	<u>28,611,654.22</u>	<u>0.91</u>	28,825,885.58	1.41
	3,133,466,911.31	100.00	2,047,667,213.75	100.00
Less: Provision for bad debts of prepayments	<u>26,648,098.37</u>		<u>28,215,086.35</u>	
Total	<u>3,106,818,812.94</u>		<u>2,019,452,127.40</u>	

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS*(continued)***6. Prepayments** *(continued)***(2) Top five prepayments by supplier based on closing balance**

	Closing balance	Percentage to the total closing balance of prepayments (%)
Total	<u>1,093,487,586.48</u>	35.20

The provision for bad debts of prepayments is as follows:

	2024	2023
Opening balance	28,215,086.35	28,202,020.78
Provision for the year	1,744,374.61	5,138,982.94
Reversal for the year	(309.69)	(1,349,980.19)
Transfer out upon disposal of subsidiaries	(2,213,969.01)	(1,591,024.34)
Other transfer out	<u>(1,097,083.89)</u>	<u>(2,184,912.84)</u>
Closing balance	<u>26,648,098.37</u>	<u>28,215,086.35</u>

7. Other receivables

	2024	2023
Interests receivable	39,648,566.62	33,602,374.77
Dividends receivable	2,296,643.43	2,760,000.00
Other receivables	<u>5,377,614,973.12</u>	<u>6,095,715,437.32</u>
Total	<u>5,419,560,183.17</u>	<u>6,132,077,812.09</u>

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

7. Other receivables *(continued)*

Interests receivable

Classification of interests receivable

	2024	2023
Special loans for projects	39,648,566.62	33,602,374.77

Other receivables

(1) *Disclosure by aging*

	2024	2023
Within 1 year	2,643,146,897.56	2,415,682,871.70
1 to 2 years	1,099,640,270.13	1,518,395,417.40
2 to 3 years	311,878,137.53	639,424,759.60
3 to 4 years	513,322,495.18	740,045,882.35
4 to 5 years	446,525,842.64	481,071,391.42
Over 5 years	3,316,266,909.15	3,281,198,674.84
	8,330,780,552.19	9,075,818,997.31
Less: Provision for bad debts of other receivables	2,911,220,369.02	2,943,741,185.22
Total	5,419,560,183.17	6,132,077,812.09

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS**

(continued)

7. Other receivables (continued)**Other receivables** (continued)

(2) Classification by nature

	2024	2023
Interests receivable	39,648,566.62	33,602,374.77
Interests of borrowings due from associates and joint ventures	39,648,566.62	33,602,374.77
Dividends receivable	2,296,643.43	2,760,000.00
Other receivables	8,288,835,342.14	9,039,456,622.54
Deposits and reserve funds	1,295,104,543.12	1,202,785,203.79
Current account with other entities	2,802,573,274.80	2,884,664,916.72
Disbursements previously made	1,155,279,524.72	1,567,496,241.14
Investment receivable	190,799,529.98	299,208,323.12
Government grants receivable	29,497,764.97	19,950,478.15
Amount due from associates	657,618,370.53	660,065,397.17
Amount due from joint ventures	3,158,464.00	16,668,192.49
Other current account	2,154,803,870.02	2,388,617,869.96
	8,330,780,552.19	9,075,818,997.31
Less: Provision for bad debts of other receivables	2,911,220,369.02	2,943,741,185.22
Total	5,419,560,183.17	6,132,077,812.09

(3) Provision for bad debts

2024

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

7. Other receivables *(continued)*

Other receivables (continued)

(3) Provision for bad debts *(continued)*

2023

	Balance of carrying amount		Provision for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Individual provision for bad debts	8,128,836,129.92	89.93	2,308,928,143.39	28.40	5,819,907,986.53
Provision for bad debts by credit risk characteristics group	<u>910,620,492.62</u>	<u>10.07</u>	<u>634,813,041.83</u>	<u>69.71</u>	<u>275,807,450.79</u>
Total	<u>9,039,456,622.54</u>	<u>100.00</u>	<u>2,943,741,185.22</u>	<u>32.57</u>	<u>6,095,715,437.32</u>

Other receivables which were subject to individual provision for bad debts were as follows:

	2024				2023	
	Balance of carrying amount	Provision for bad debts	Proportion of provision (%)	Reasons for provision	Balance of carrying amount	Provision for bad debts
Unit 13	558,273,880.84	5,582,738.81	1.00	Partly uncollectible	1,129,936,537.31	11,299,365.37
Unit 14	480,294,431.41	16,835,095.93	3.51	Partly uncollectible	465,832,376.58	16,835,095.93
Unit 15	440,355,531.95	4,416,649.57	1.00	Partly uncollectible	441,664,957.20	4,414,079.49
Unit 16	333,397,846.99	-	-	Expected to be wholly collectible	-	-
Unit 17	220,000,000.00	-	-	Expected to be wholly collectible	-	-
Other customers	<u>5,235,094,518.15</u>	<u>2,204,492,146.25</u>	<u>42.11</u>	Partly uncollectible	<u>6,091,402,258.83</u>	<u>2,276,379,602.60</u>
Total	<u>7,267,416,209.34</u>	<u>2,231,326,630.56</u>			<u>8,128,836,129.92</u>	<u>2,308,928,143.39</u>

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS*(continued)***7. Other receivables** *(continued)***Other receivables** *(continued)**(3) Provision for bad debts* *(continued)*

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

	Balance of carrying amount	Provision for impairment	Proportion of provision (%)
Credit risk group	1,021,419,132.80	679,893,738.46	66.56

The movements in provision for bad debts of other receivables measured based on 12-month expected credit losses and lifetime expected credit loss are as follows:

2024

	Stage one Expected credit loss for the next 12 months	Stage two Lifetime expected credit loss (Non credit- impaired)	Stage three Lifetime expected credit loss (Credit-impaired)	Total
Opening balance	3,378,110.40	491,832,304.86	2,448,530,769.96	2,943,741,185.22
Stage transfer of opening balance during the year	(2,245,847.30)	323,429,332.53	(321,183,485.23)	-
Provision for the year	2,093,009.95	35,601,662.84	3,773,153.58	41,467,826.37
Reversal for the year	(105.60)	(2,340,992.82)	(65,881,522.13)	(68,222,620.55)
Write-off for the year	-	-	-	-
Transfer out upon disposal of subsidiaries	-	-	(2,917,199.58)	(2,917,199.58)
Other changes	-	4,161,849.87	(7,010,672.31)	(2,848,822.44)
Closing balance	3,225,167.45	852,684,157.28	2,055,311,044.29	2,911,220,369.02

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

7. Other receivables *(continued)*

Other receivables *(continued)*

(3) Provision for bad debts *(continued)*

The movements in provision for bad debts of other receivables measured based on 12-month expected credit losses and lifetime expected credit loss are as follows: *(continued)*

2023

	Stage one Expected credit loss for the next 12 months	Stage two Lifetime expected credit loss (Non credit- impaired)	Stage three Lifetime expected credit loss (Credit-impaired)	Total
Opening balance	2,959,444.50	1,024,336,255.32	1,695,806,039.75	2,723,101,739.57
Stage transfer of opening balance during the year	(1,854,479.42)	(529,901,525.35)	531,756,004.77	–
Provision for the year	2,283,318.95	8,299,331.44	57,680,385.08	68,263,035.47
Reversal for the year	(8,382.94)	(10,577,459.54)	(85,156,319.62)	(95,742,162.10)
Write-off for the year	–	–	(16,752,837.61)	(16,752,837.61)
Transfer out upon disposal of subsidiaries	(1,790.69)	(324,297.01)	(1,591,309.31)	(1,917,397.01)
Other changes	–	–	266,788,806.90	266,788,806.90
Closing balance	<u>3,378,110.40</u>	<u>491,832,304.86</u>	<u>2,448,530,769.96</u>	<u>2,943,741,185.22</u>

The movements in provision for bad debts of other receivables are as follows:

	Opening balance	Provision for the year	Reversal for the year	Write-off for the year	Transfer out upon disposal of subsidiaries	Other changes	Closing balance
2024	<u>2,943,741,185.22</u>	<u>41,467,826.37</u>	<u>(68,222,620.55)</u>	<u>–</u>	<u>(2,917,199.58)</u>	<u>(2,848,822.44)</u>	<u>2,911,220,369.02</u>
2023	<u>2,723,101,739.57</u>	<u>68,263,035.47</u>	<u>(95,742,162.10)</u>	<u>(16,752,837.61)</u>	<u>(1,917,397.01)</u>	<u>266,788,806.90</u>	<u>2,943,741,185.22</u>

As of 31 December 2024, provision for bad debts for the year amounted to RMB41,467,826.37 (31 December 2023: RMB68,263,035.47), and provision for bad debts reversed amounted to RMB68,222,620.55 (31 December 2023: RMB95,742,162.10). The actual amount of other receivables written-off was nil (31 December 2023: RMB16,752,837.61). Other changes were mainly due to the write-off of provision for bad debts of other receivables due from certain subsidiaries of the Concrete Group and Jidong Development Group upon handing over such subsidiaries to the administrator due to the bankruptcy liquidation this year.

Notes to Financial Statements (continued)

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

7. Other receivables (continued)**Other receivables** (continued)

(4) Top five closing balance of other receivables by debtors

31 December 2024

	Closing balance	Proportion in total balance of other receivables (%)	Nature	Aging	Closing balance of provision for bad debts
First	558,273,880.84	6.70	Disbursements previously made	3-4 years	5,582,738.81
Second	480,294,431.41	5.77	Current account with other entities	0-5 years	16,835,095.93
Third	440,355,531.95	5.29	Current account with other entities	0-5 years	4,416,649.57
Fourth	333,397,846.99	4.00	Current account with other entities	Within 1 year	-
Fifth	<u>220,000,000.00</u>	<u>2.64</u>	Current account with other entities	Within 1 year	-
Total	<u>2,032,321,691.19</u>	<u>24.40</u>			<u>26,834,484.31</u>

As set out in Note IV. 2 Tax, certain companies of the Group enjoy the policy of immediate refund of VAT levied. As at the balance sheet date, the value-added tax receivable refund policies have been verified by various tax bureaus, and the management expects that the amounts will be fully recovered in 2025.

2024

	Grant item	Amount	Aging	Expected time of receipt, amount and basis
Local tax authorities	Refunds of VAT	<u>29,497,764.97</u>	Within 1 year	2025

2023

	Grant item	Amount	Aging	Expected time of receipt, amount and basis
Local tax authorities	Refunds of VAT	<u>19,950,478.15</u>	Within 1 year	2024

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

8. Inventories

(1) Classification of inventories

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

	2023		
	Balance of carrying amount	Provision for decline in value/impairment	Carrying value
Raw materials	1,904,254,102.49	60,875,495.89	1,843,378,606.60
Items in production	1,564,512,802.61	74,118,103.18	1,490,394,699.43
Finished goods	5,391,958,410.45	185,909,471.68	5,206,048,938.77
Turnover materials	8,126,063.29	–	8,126,063.29
Development costs	51,340,926,934.99	1,260,325,393.30	50,080,601,541.69
Products under development	38,217,628,230.10	1,116,631,333.01	37,100,996,897.09
Contract performance cost	80,516,041.23	–	80,516,041.23
Total	98,507,922,585.16	2,697,859,797.06	95,810,062,788.10

The amortization amount recognized for contract performance costs during the year is RMB2,348,237,796.73. The closing carrying value is presented in inventory based on liquidity.

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS**
(continued)**8. Inventories** (continued)**(2) Provision for decline in value of inventories and impairment of contract performance cost****2024**

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

2023

	Opening balance	Provision for the year	Decrease during the year			Closing balance
			Reversal	Write-off	Other	
Raw materials	56,974,989.49	21,198,277.56	-	16,987,685.28	310,085.88	60,875,495.89
Items in production	50,284,699.15	88,364,876.31	-	64,531,472.28	-	74,118,103.18
Finished goods	169,559,607.36	83,397,916.18	7,404,127.60	59,643,924.26	-	185,909,471.68
Development costs	257,948,399.81	1,063,094,902.41	-	-	60,717,908.92	1,260,325,393.30
Products under development	1,020,990,038.16	475,302,503.99	3,698,463.73	436,680,654.33	(60,717,908.92)	1,116,631,333.01
Total	1,555,757,733.97	1,731,358,476.45	11,102,591.33	577,843,736.15	310,085.88	2,697,859,797.06

* Due to the completion of the development project, the corresponding provision for decline in value of inventory of RMB90,197,265.77 is transferred from the development costs to the products under development. The corresponding provision for decline in value of inventory of RMB9,777,078.72 is transferred out due to the transferring of inventories into investment properties.

As at 31 December 2024, the balance of development costs included the capitalised borrowing costs of RMB2,481,923,119.68 (31 December 2023: RMB3,679,334,038.33). The capitalised borrowing costs amounted to RMB1,007,740,128.35 in aggregate in 2024 (2023: RMB1,485,169,228.41), and the rate of interest capitalisation was 2.91% (2023: 3.41%). Details of pledge of inventories are set out in Note V. 26.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

8. Inventories *(continued)*

The breakdown of costs of property development is set out as follows:

Project name	Time of commencement	Estimated completion time of the next phase	Aggregate investment	31 December 2024	31 December 2023
Beijing – Yudongxu	October 2024	December 2026	8,803,310,000.00	6,777,481,757.47	–
Tianjin – Konggang Yunzhu	March 2018	December 2026	7,516,038,353.37	5,471,554,695.37	5,466,657,389.53
Beijing – Wangjing Yunshang	December 2022	April 2025	5,136,000,000.00	4,381,176,353.61	3,643,445,465.45
Chongqing – Xinduhui Project	November 2020	June 2029	10,000,000,000.00	3,100,379,384.65	2,974,859,433.21
Suzhou – Olympic Sports Center Plot 04	February 2024	May 2026	4,110,000,000.00	3,063,327,628.61	2,896,580,000.00
Beijing – Fengkeyuan Project	March 2025	June 2027	4,115,040,000.00	2,701,706,833.34	–
Tangshan – Mining & Metallurgical A	May 2022	August 2025	4,444,860,000.00	2,448,046,714.42	2,277,085,952.35
Shanghai – Taopu Project	August 2024	August 2026	3,312,085,057.00	2,285,543,170.39	2,277,000,000.00
Qingdao – Jinyu Jimo	December 2018	June 2025	2,809,149,428.02	2,052,320,938.80	2,403,545,026.65
Tianjin – Jinyu Jincheng	December 2020	December 2026	1,550,000,000.00	1,534,565,527.34	3,480,977,016.80
Tangshan – Qixin Project	April 2014	January 2025	4,090,794,500.52	1,451,737,009.27	1,705,712,225.19
Beijing – Tongzhou Tuqiao Project	March 2025	May 2027	2,133,860,000.00	1,196,039,487.81	–
Tianjin – Jinzhong River Project	April 2019	December 2025	2,439,430,000.00	1,173,622,291.91	1,008,063,228.43
Changzhou – Zhonglou Project	December 2021	March 2025	2,768,660,000.00	491,843,083.64	2,501,319,649.76
Beijing – Shangchengjun Project	May 2015	June 2025	2,448,661,598.26	445,210,797.39	361,073,698.83
Tangshan – Qixin Plot C03 Project	March 2025	May 2027	1,000,000,000.00	423,934,164.80	405,982,939.45
Ningbo – Eastern New City Project	June 2021	June 2025	256,080,000.00	247,200,557.30	242,234,903.43
Tangshan – Mining & Metallurgical Plot A03	May 2025	May 2027	1,135,940,000.00	126,370,000.00	–
Tangshan – Jinyu Lefu	March 2010	December 2026	145,154,579.00	68,049,346.59	68,049,346.59
Others				67,483,641.00	18,368,015,266.02
Total				39,507,593,383.71	50,080,601,541.69

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS**
*(continued)***8. Inventories** *(continued)*The breakdown of property under development is set out as follows: *(continued)*

Project name	Completion date of the latest phase	Opening balance	Increase during the year	Decrease during the year	Closing balance
Beijing – Incubator Technology Park	June 2023	5,429,112,987.99	2,022,686.19	–	5,431,135,674.18
Tianjin – Jinyu Jincheng	June 2024	2,246,897,847.72	2,270,936,435.39	1,703,745,098.67	2,814,089,184.44
Beijing – Jilinjiayuan	December 2022	2,542,993,365.75	–	36,934,478.84	2,506,058,886.91
Tianjin – Treasures Mansion	June 2021	3,156,978,342.05	–	652,598,088.48	2,504,380,253.57
Chongqing – Nanshanjun	June 2024	1,691,818,866.99	196,360,029.64	118,399,434.45	1,769,779,462.18
Chengdu – Gaoxin Zhonghe Project	December 2022	1,789,057,552.04	–	173,436,635.87	1,615,620,916.17
Ningbo – Jinjunfu	June 2024	2,063,417,609.97	22,081,789.94	594,345,095.26	1,491,154,304.65
Beijing – Linoleum Factory Project	October 2024	–	3,642,315,216.73	2,498,883,677.82	1,143,431,538.91
Beijing – Shangchengjun	December 2021	1,130,192,567.95	532,443.05	145,146,006.33	985,579,004.67
Chongqing – Xinduhui	December 2023	990,601,328.45	–	42,688,336.66	947,912,991.79
Chongqing – Times Metro	December 2023	870,604,012.19	3,867,982.85	4,282,467.12	870,189,527.92
Beijing – Kuntai Yunzhu	June 2024	3,532,455,832.76	1,144,544,915.99	3,921,043,159.70	755,957,589.05
Beijing – Kanghuiyuan	December 2024	47,890,579.40	797,488,322.31	130,682,509.92	714,696,391.79
Qingdao – Treasures Mansion	January 2024	640,903,448.98	364,578,286.82	334,319,395.21	671,162,340.59
Tangshan – Jin'an hongbao	June 2022	941,652,808.65	–	313,031,976.22	628,620,832.43
Changzhou – Zhonglou Tianzhu	December 2024	–	2,029,174,267.00	1,469,327,877.03	559,846,389.97
Tangshan – Treasures Mansion	November 2024	208,417,415.03	482,590,840.96	135,155,731.15	555,852,524.84
Beijing – Wangjing Star	December 2023	509,011,084.86	–	7,683,046.29	501,328,038.57
Hefei – Jincheng Mansions	September 2023	498,700,197.78	–	5,482,444.61	493,217,753.17
Hefei – Shanhu Yunzhu	November 2024	–	2,310,135,974.40	1,827,497,920.40	482,638,054.00

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

8. Inventories *(continued)*

The breakdown of property under development is set out as follows: *(continued)*

Project name	Completion date of the latest phase	Opening balance	Increase during the year	Decrease during the year	Closing balance
Shanghai – Jiading Juyuan	March 2019	477,408,870.50	303,021.90	1,621,226.37	476,090,666.03
Beijing – Changxindian Project	December 2020	442,683,634.22	–	3,251,531.49	439,432,102.73
Tianjin – Airport Economic Zone	November 2022	398,395,624.76	–	–	398,395,624.76
Ningbo – Gaoxin District Project	March 2021	376,828,522.07	–	17,927,960.35	358,900,561.72
Nanjing – Zijingdieryuan	May 2023	748,381,666.67	–	401,359,141.89	347,022,524.78
Ningbo – Kanjiang Times	June 2019	350,024,978.31	–	4,245,337.36	345,779,640.95
Hefei – Baohe Project	March 2024	194,216,081.91	179,724,414.18	51,758,484.69	322,182,011.40
Shanghai – BBMG Bund East Bank	September 2024	–	8,938,869,849.93	8,622,508,314.40	316,361,535.53
Beijing – Fengqi Home	November 2023	352,906,213.54	–	66,266,717.77	286,639,495.77
Hefei – Nanqi Garden	November 2020	210,034,665.22	196,744.42	5,713,606.27	204,517,803.37
Haikou – Yangguangjun	June 2022	211,738,573.91	927,273.72	22,562,444.64	190,103,402.99
Tangshan – Qixin 1889#	November 2020	183,964,095.96	–	2,739,889.07	181,224,206.89
Chengdu – Shangxifu	June 2022	360,014,045.75	–	180,767,141.27	179,246,904.48
Beijing – Jin'gang Jiayuan	December 2020	178,725,192.04	–	1,534,515.72	177,190,676.32
Tangshan – Rongda Business Building	June 2024	–	176,629,278.27	–	176,629,278.27
Tangshan – Dachengjun	February 2022	206,477,700.01	–	31,765,542.90	174,712,157.11
Hangzhou – Metro Forest	November 2020	170,406,069.19	–	1,607,780.78	168,798,288.41
Chengde – Chengde Project	December 2020	187,549,228.15	–	23,305,523.34	164,243,704.81
Chengdu – Dachengjun	December 2014	155,372,596.51	–	665,161.78	154,707,434.73
Others		3,605,163,289.81	4,852,366,191.54	6,471,871,620.25	1,985,657,861.10
Total		37,100,996,897.09	27,415,645,965.23	30,026,155,320.37	34,490,487,541.95

Notes to Financial Statements (continued)

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS
(continued)**9. Contract assets**

Contract assets arise mainly from the Group's construction operations. The Group provides construction services in accordance with the construction contract entered into with customers and recognises revenue based on performance progress over the contract period. According to the contract terms, customers of the Group make progress billings with the Group based on the performance progress and make payment for the progress billings within the credit term. Revenue recognised based on performance progress in excess of progress billings is recognized as contract asset while progress billings in excess of revenue recognised based on performance progress is recognized as contract liabilities.

(1) Contract assets

	2024			2023		
	Balance of carrying amount	Provision for impairment	Carrying value	Balance of carrying amount	Provision for impairment	Carrying value
Engineering construction (third-party)	508,435,804.48	19,194,920.66	489,240,883.82	241,181,075.11	13,003,490.98	228,177,584.13
Others	4,478.00	-	4,478.00	7,427,849.49	-	7,427,849.49
Total	508,440,282.48	19,194,920.66	489,245,361.82	248,608,924.60	13,003,490.98	235,605,433.62

(2) Disclosure by provision method for impairment of contract assets

2024

	Balance of carrying amount		Provision for impairment		Carrying value
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for impairment by credit risk characteristics group	508,440,282.48	100.00	19,194,920.66	3.78	489,245,361.82

2023

	Balance of carrying amount		Provision for impairment		Carrying value
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for impairment by credit risk characteristics group	248,608,924.60	100.00	13,003,490.98	5.23	235,605,433.62

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

9. Contract assets *(continued)*

(2) Disclosure by provision method for impairment of contract assets *(continued)*

As at 31 December 2024, provision for impairment of contract assets by group is as follows:

	Balance of carrying amount	Provision for impairment	Proportion of provision (%)
Aging group	<u>508,440,282.48</u>	<u>19,194,920.66</u>	<u>3.78</u>

(3) Provision for impairment of contract assets

	Opening balance	Provision for the year	Reversal for the year	Other decrease for the year	Closing balance
2024	<u>13,003,490.98</u>	<u>38,235,909.27</u>	<u>(31,352,415.50)</u>	<u>(692,064.09)</u>	<u>19,194,920.66</u>
2023	<u>9,654,787.26</u>	<u>6,278,936.19</u>	<u>(2,930,232.47)</u>	<u>-</u>	<u>13,003,490.98</u>

Among these, other decrease during the year was mainly due to the transfer to accounts receivable.

Among these, the important items for the reversal of impairment provisions during the year are as follows:

	Reversal amount	Reversal reason	Reversal method	Basis for determining the original impairment provision ratio and its rationality
Unit 18	17,008,868.61	Project settlement	Transfer to accounts receivable	Provision based on credit risk portfolio
Unit 19	6,848,196.80	Project settlement	Transfer to accounts receivable	Provision based on credit risk portfolio
Unit 20	3,441,724.12	Project settlement	Transfer to accounts receivable	Provision based on credit risk portfolio
Other units	<u>4,053,625.97</u>	Project settlement	Transfer to accounts receivable	Provision based on credit risk portfolio
Total	<u>31,352,415.50</u>			

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS**
(continued)**10. Non-current assets due within one year**

	2024	2023
Debt investment due within one year	408,020,318.01	257,812,627.12
Long-term receivables due within one year	358,338,051.92	438,518,191.44
Total	766,358,369.93	696,330,818.56

11. Other current assets

	2024	2023
Prepaid enterprise income tax	220,322,998.94	713,972,684.48
Prepaid value-added tax	1,439,520,636.68	1,523,828,862.07
Prepaid other tax	601,971,531.54	578,081,232.39
Input tax deductible	3,755,612,952.36	4,301,369,985.61
Input tax certifiable	300,147,489.91	325,222,381.43
Cost of obtaining a contract	46,741,406.46	165,644,175.20
Others	1,647,402,610.63	1,123,050,156.19
Total	8,011,719,626.52	8,731,169,477.37

12. Debt investments**(1) Debt investments**

	2024 Carrying value	2023 Carrying value
19 Great Wall Bonds 02BC (Type II)	414,692,035.27	417,673,389.20
20 China Cinda Bonds 01BC	399,874,517.53	399,799,528.09
24 Guangfa Bank CD132	293,858,400.00	-
Beijing Trust Run Sheng Wealth No. 430 (北京信託潤昇財富430號)	-	110,222,254.31
Beijing Trust Run Sheng Wealth No. 462 (北京信託潤昇財富462號)	110,210,435.71	-
Dewei Property 2023 State-owned Enterprise Capital Support Plan	48,155,593.83	50,105,122.65
Beijing Trust Fengshi Rongxin No. 12 B003	-	145,640,843.99
	1,266,790,982.34	1,123,441,138.24
Less: Debt investment due within one year	408,020,318.01	257,812,627.12
Total	858,770,664.33	865,628,511.12

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

13. Long-term receivables

(1) Long-term receivables

	2024			2023			Discount rate range
	Balance of carrying amount	Provision for bad debts	Carrying value	Balance of carrying amount	Provision for bad debts	Carrying value	
Sales of goods by instalments	273,982,074.16	9,282,664.72	264,699,409.44	355,314,428.28	19,150,498.68	336,163,929.60	5.00%
Loans to related parties	619,194,917.34	3,656,749.13	615,538,168.21	536,778,174.59	3,656,749.13	533,121,425.46	0.00%-11.75%
Finance lease payment	907,030,170.04	1,307,930.83	905,722,239.21	836,339,176.19	-	836,339,176.19	3.24%-7.46%
Others	303,936,053.69	-	303,936,053.69	310,095,917.09	305,940,850.42	4,155,066.67	-
Total	2,104,143,215.23	14,247,344.68	2,089,895,870.55	2,038,527,696.15	328,748,098.23	1,709,779,597.92	

The time interval between payments from customers and committed ownership transfer of goods in certain contracts regarding the Group's concrete business was more than a year, the receivables of which was presented as long-term receivables after considering the significant financing component. The Group referred to bank loan interest rate during the same period and added a premium for certain risk as a discount rate while measuring the significant financing component. The discount rate was 5.00% for the year.

Loans to related parties mainly include: (1) the loan provided by the Group's subsidiary, BBMG Jiahua Nanjing Real Estate Co., Ltd., to its associate Nanjing Huayu Real Estate Development Co., Ltd., and the loan provided by Beijing BBMG Real Estate Development Group Co., Ltd. to its associate Beijing Yichang Real Estate Co., Ltd., both at an interest rate of 6.00%; (2) the borrowings and interest receivable provided to Cross Point Trading 274 (Pty) Ltd (RF) and Mamba Cement Company (Pty) Ltd (RF), joint ventures of African Rhino Co., Ltd. (非洲犀牛有限公司) which is a subsidiary of the Group. Pursuant to the agreement between both parties, such borrowings will be recovered before March 2044.

The finance lease business of the Group calculates the discount rate based on the internal rate of return, and the discount rate ranges from 3.24% to 7.46%.

The movements in provision for bad debts of long-term receivables measured based on the lifetime expected credit loss are as follows:

	2024	2023
Opening balance	328,748,098.23	489,232,042.32
Provision for the year	1,983,860.66	6,572,111.19
Reversal for the year	(10,404,215.81)	(14,056,055.28)
Other decrease	(306,080,398.40)	(153,000,000.00)
Closing balance	14,247,344.68	328,748,098.23

Notes to Financial Statements (continued)

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Long-term equity investments

(1) Long-term equity investments
2024

	Opening balance	Movements during the year							Closing balance	Provision for impairment at the end of the year	Closing net value
		Increase investment	Decrease investment	Investment profits or losses under equity method	Other comprehensive income	Other changes in equity	Cash dividend declared	Provision for impairment			
Joint ventures											
Jidong Heidelberg (Fuleng) Cement Co., Ltd.	350,822,215.87	-	-	42,570,800.63	-	10,597.78	(48,110,000.00)	-	-	345,293,614.28	345,293,614.28
Jidong Heidelberg (Jingang) Cement Co., Ltd.	481,407,391.90	-	-	61,959,652.82	-	2,256.61	(50,000,000.00)	-	-	493,368,301.33	493,368,301.33
Anshan Jidong Cement Co., Ltd.	154,821,824.48	-	-	(10,820,006.58)	-	-	-	-	-	144,001,817.90	144,001,817.90
Tangshan Caofeidian Dunshi New Building Material Co., Ltd.	114,478,652.55	-	-	(12,344,705.70)	-	-	-	-	-	102,133,946.85	102,133,946.85
Cross Point Trading 274 (Pty) Ltd (RF)	239,808,682.30	-	(24,683,311.67)	17,890,573.82	2,858,927.08	3,307,200.49	(9,088,598.52)	-	-	230,083,476.50	230,083,476.50
Beijing Haiyu Zhixin Real Estate Development Co., Ltd. (北京海岳重信資產開發有限公司)	-	19,600,000.00	-	2,600.98	-	-	-	-	-	19,602,600.98	19,602,600.98
Dahongmen (Beijing) Construction Development Co., Ltd.	86,582,234.81	-	-	715,103.35	-	-	-	-	-	87,297,338.16	87,297,338.16
BBMG Vanke Property Development Co., Ltd.	188,866,113.67	-	-	219,399.56	-	-	-	-	-	189,085,513.23	189,085,513.23
BBMG TUS Technology Incubator Co., Ltd.*	5,337,587.18	-	(5,337,587.18)	-	-	-	-	-	-	-	-
STARUSG Building Materials Co., Ltd.	59,211,761.01	-	-	4,663,365.51	-	-	-	-	-	63,875,126.52	63,875,126.52
Beijing Qiyuan Development and Construction Co., Ltd. (北京啟苑開發建設有限公司)	-	934,470.00	-	(382,769.82)	-	(551,700.18)	-	-	-	-	-
Hebei Xiongan Zhizhong Technology Co., Ltd.	17,456,905.33	-	-	(2,267,676.36)	-	-	-	-	-	15,189,228.97	15,189,228.97
Sub-total	1,698,793,369.10	20,534,470.00	(30,020,898.05)	102,205,398.21	2,858,927.08	2,769,354.70	(107,208,598.52)	-	-	1,689,931,024.72	1,689,931,024.72

* On 21 June 2024, the Group began to have substantial control over TUS Incubator, holding 75% of its equity interest. As a result, TUS Incubator became a subsidiary of the Group. For further details, please refer to Note VI. 1. Business combinations not under common control.

Notes to Financial Statements (continued)

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Long-term equity investments (continued)

(1) Long-term equity investments (continued)
2024 (continued)

	Movements during the year							Closing net value			
	Opening balance	Increase investment	Decrease investment	Investment profits or losses under equity method	Other comprehensive income	Other changes in equity	Cash dividend declared		Provision for impairment	Closing balance	Provision for impairment at the end of the year
Beijing Innovation Industry Investment Co., Ltd.	242,482,051.74	-	-	11,500,941.62	-	-	-	-	253,982,993.36	-	253,982,993.36
Toto Machinery (Beijing) Company Limited	155,462,071.65	-	-	82,385.96	-	-	(3,200,000.00)	-	152,344,457.61	-	152,344,457.61
Easyhome New Retail Group Corporation Limited	2,231,987,335.85	-	-	90,814,356.65	-	-	(38,981,187.27)	-	2,283,820,505.23	-	2,283,820,505.23
Tangshan Corch Profiles Co., Ltd.	113,101,987.41	-	-	(8,906,890.53)	-	-	(4,000,000.00)	-	100,195,136.88	-	100,195,136.88
Beijing Jingxi Ecological Cultural Tourism Investment Co., Ltd. (北京西生生态投资有限公司)	6,054,594.98	-	-	(1,339,955.96)	-	-	-	-	4,714,639.02	-	4,714,639.02
Zehnder (China) Indoor Climate Co., Ltd.	72,746,124.96	-	-	(4,308,323.98)	-	-	-	-	68,437,800.98	-	68,437,800.98
OCV Reinforcements (Beijing) Co., Ltd.	85,515,082.93	-	-	1,587,052.24	-	-	-	-	87,102,135.17	-	87,102,135.17
Zhongfang Huarui (Tangshan) Real Estate Co., Ltd.	4,981,823.43	-	-	-	-	-	-	-	4,981,823.43	(4,981,823.43)	-
Hebei Jiaotou Green Building Materials Co., Ltd. (河北交投绿色建筑有限公司)	11,512,598.80	-	-	(3,207,077.64)	-	-	(2,066,643.43)	-	6,238,878.73	-	6,238,878.73
Tianjin Xingye Longwang Construction Engineering Co., Ltd.	19,141,121.02	-	-	-	-	-	(19,141,121.02)	(19,141,121.02)	19,141,121.02	(19,141,121.02)	-
Tianjin Yaopi Glass Co., Ltd.	153,924,605.85	-	-	7,608,891.41	-	-	-	-	161,533,437.26	-	161,533,437.26
Tianjin Shengxiang Plastic Pipes Industry Co., Ltd.	31,940,000.00	-	-	-	-	-	-	-	31,940,000.00	(31,940,000.00)	-
Tianjin Shublok Cement Block Co., Ltd.	8,244,156.30	-	-	-	-	-	-	-	8,244,156.30	(8,244,156.30)	-
Sub-total	7,535,066,629.24	-	(6,295,447.66)	262,453,298.15	-	(170,419.96)	(58,271,238.30)	(19,141,121.02)	7,732,082,821.47	(64,307,100.75)	7,668,475,720.72
Total	9,233,859,998.34	20,534,470.00	(36,316,346.51)	364,658,696.36	2,858,827.08	2,597,934.74	(165,479,833.82)	(19,141,121.02)	9,422,713,846.19	(64,307,100.75)	9,358,406,745.44

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

14. Long-term equity investments *(continued)*

(1) Long-term equity investments *(continued)*

2023

	Opening balance	Increase investment	Decrease investment	Movements during the year				Provision for impairment	Provision for impairment at the end of the year	Closing net value
				Investment profits or losses under equity method	Other comprehensive income	Other changes in equity	Cash dividend declared			
Joint ventures										
Jidong Heidelberg (Fujian) Cement Co., Ltd.	409,074,351.74	-	-	45,185,614.91	-	(1,250.78)	(18,436,500.00)	-	-	350,822,215.87
Jidong Heidelberg (Jiangxi) Cement Co., Ltd.	562,770,229.05	-	-	46,102,504.24	-	34,658.61	(127,500,000.00)	-	-	481,407,391.90
Anshan Jidong Cement Co., Ltd.	208,728,229.17	-	-	(53,307,104.69)	-	-	-	-	-	154,821,824.48
Tangshan Caidian Dunshi New Building Material Co., Ltd.	134,933,998.90	-	-	(10,455,346.35)	-	-	(10,000,000.00)	-	-	114,478,652.55
Dalongmen (Beijing) Construction Development Co., Ltd.	59,086,555.04	-	-	27,495,679.77	-	-	-	-	-	86,582,234.81
BBMG Vanke Property Development Co., Ltd.	190,399,564.70	-	-	(1,533,451.03)	-	-	-	-	-	188,866,113.67
BBMG TUS Technology Incubator Co., Ltd.	5,276,029.14	-	-	6,558.04	-	-	-	-	-	5,337,587.18
STAR4USG Building Materials Co., Ltd.	55,488,456.01	-	-	3,723,305.00	-	-	-	-	-	59,211,761.01
Cross Point Trading 274 (Pty) Ltd (RF)	231,222,642.14	-	-	38,402,595.24	(24,988,181.30)	-	(4,828,378.78)	-	-	239,808,682.30
Hebei Xinrong Zhong Technology Co., Ltd.	16,102,196.67	-	-	2,166,947.73	-	-	(812,225.07)	-	-	17,456,905.33
Sub-total	1,873,082,952.56	-	-	97,242,296.86	(24,988,181.30)	33,407.83	(246,577,106.85)	-	-	1,688,793,369.10

Notes to Financial Statements (continued)

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Long-term equity investments (continued)

(1) Long-term equity investments (continued)
2023 (continued)

	Opening balance	Increase investment	Decrease investment	Investment profits or losses under equity method	Movements during the year	Cash dividend declared	Provision for impairment	Closing balance	Provision for impairment at the end of the year	Closing net value
					Other comprehensive income					
Associates										
Liaoning Yunding Cement Group Co., Ltd.	1,053,403.68	-	-	2,130,047.52	-	-	-	3,183,451.20	-	3,183,451.20
Jilin Changtuo Investment Co., Ltd.	125,339,906.13	-	-	(2,443,801.00)	-	-	-	122,896,105.13	-	122,896,105.13
Jidong Cement Fuleng Transportation Co., Ltd.	5,687,472.11	-	-	643,093.09	-	-	-	6,330,721.04	-	6,330,721.04
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	24,410,234.10	-	-	149,240.44	-	-	-	24,559,474.54	-	24,559,474.54
Beijing Jinzhu Xingye Real Estate Development Co., Ltd.	734,424,064.30	-	-	(13,359,797.88)	-	-	-	721,064,266.42	-	721,064,266.42
Nanjing Haiyu Real Estate Development Co., Ltd. (南京海宇房地產發展有限公司)	485,980,893.59	-	-	(21,993,809.89)	-	-	-	463,994,483.70	-	463,994,483.70
Nanjing Haiyu Decoration Engineering Co., Ltd. (南京海宇裝飾工程有限公司)	1,015,439.48	-	-	14,913.42	-	-	-	1,030,352.90	-	1,030,352.90
Beijing Zhongcai Jinyan Real Estate Development Co., Ltd. (北京中泰建房地產開發有限公司)	607,891,447.31	-	(578,000,000.00)	(2,467,566.54)	-	-	-	27,423,880.77	-	27,423,880.77
Beijing Yidang Real Estate Co., Ltd. (北京怡豐置業有限公司)	634,645,431.01	-	-	(4,360,710.02)	-	-	-	630,284,720.99	-	630,284,720.99
Beijing Chenyu Real Estate Development Co., Ltd.	2,291,759,007.87	-	-	(7,144,053.38)	-	-	-	2,284,614,954.49	-	2,284,614,954.49
Beijing Youth Camp Jinyu Fengshan Education Technology Co., Ltd.	744,232.37	-	(744,232.37)	-	-	-	-	-	-	-
Beijing Jincheng Technology Innovation Investment Partnership LP (北京金誠科創投資合夥企業(有限合夥))	64,490,349.13	30,000,000.00	-	(256,437.98)	-	(19,069.27)	-	94,214,847.88	-	94,214,847.88
Beijing Jincheng Management Consulting Partnership LP (北京金誠管理諮詢合夥企業(有限合夥))	342,975.97	180,000.00	-	63,197.39	-	-	-	586,173.36	-	586,173.36

Notes to Financial Statements (continued)

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

14. Long-term equity investments (continued)
(1) Long-term equity investments (continued)
2023 (continued)

	Opening balance	Increase investment	Decrease investment	Movements during the year				Provision for impairment at the end of the year	Closing balance	Provision for impairment at the end of the year	Closing net value
				Investment profits or losses under equity method	Other comprehensive income	Other changes in equity	Cash dividend declared				
Beijing Sinobate Technology Co., Ltd.	18,113,163.83	-	-	(323,527.93)	-	-	-	17,789,640.90	-	17,789,640.90	
OVC Reinforcements (Beijing) Co., Ltd.	83,682,042.86	-	-	1,833,040.07	-	-	-	85,515,082.93	-	85,515,082.93	
Easyhome New Retail Group Corporation Limited	-	2,231,987,335.85	-	-	-	-	-	2,231,987,335.85	-	2,231,987,335.85	
Beijing Jingxi Ecological Cultural Tourism Investment Co., Ltd. (北京京西生态文旅投资有限公司)	7,628,293.90	-	-	(1,573,898.92)	-	-	-	6,054,394.98	-	6,054,394.98	
Zelmer (China) Indoor Climate Co., Ltd.	74,369,782.95	-	-	(1,623,657.99)	-	-	-	72,746,124.96	-	72,746,124.96	
Beijing Innovation Industry Investment Co., Ltd.	223,392,243.05	-	-	19,089,808.69	-	-	-	242,482,051.74	-	242,482,051.74	
Toto Machiney (Beijing) Company Limited	148,692,869.74	-	-	6,769,201.91	-	-	-	155,462,071.65	-	155,462,071.65	
Tangshan Corch Profiles Co., Ltd.	113,609,667.49	-	-	(507,680.08)	-	-	-	113,101,987.41	-	113,101,987.41	
Zhongfang Haiou (Tangshan) Real Estate Co., Ltd.	4,981,823.43	-	-	-	-	-	(4,981,823.43)	4,981,823.43	(4,981,823.43)	-	
Hebei Jiaocou Green Building Materials Co., Ltd. (河北交耦绿色建筑材料有限公司)	12,000,000.00	-	-	(487,400.20)	-	-	-	11,512,599.80	-	11,512,599.80	
Tianjin Xingye Longyang Construction Engineering Co., Ltd.	26,668,964.19	-	-	(7,527,843.17)	-	-	-	19,141,121.02	-	19,141,121.02	
Tianjin Yeqi Glass Co., Ltd.	172,664,122.30	-	-	(18,739,516.45)	-	-	-	153,924,605.85	-	153,924,605.85	
Tianjin Shengzhang Plastic Pipes Industry Co., Ltd.	31,940,000.00	-	-	-	-	-	-	31,940,000.00	(31,940,000.00)	-	
Tianjin Shubuk Cement Block Co., Ltd.	8,244,156.30	-	-	-	-	-	-	8,244,156.30	(8,244,156.30)	-	
Sub-total	5,903,779,387.09	2,262,167,335.85	(578,744,233.37)	(52,116,947.90)	-	155.84	(19,069.27)	7,555,066,629.24	(45,165,979.73)	7,489,900,649.51	
Total	7,776,862,339.65	2,262,167,335.85	(578,744,233.37)	45,125,349.96	(24,988,181.30)	33,563.67	(246,596,176.12)	9,233,859,998.34	(45,165,979.73)	9,188,694,018.61	

Notes to Financial Statements (continued)

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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS
(continued)**14. Long-term equity investments** (continued)**(2) Impairment test for long-term equity investments**

Impairment provision for long-term equity investments:

2024

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Tianjin Shengxiang Plastic Pipes Industry Co., Ltd.	31,940,000.00	-	-	31,940,000.00
Tianjin Shubulok Cement Block Co., Ltd.	8,244,156.30	-	-	8,244,156.30
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	-	19,141,121.02	-	19,141,121.02
Zhongfang Huarui (Tangshan) Real Estate Co., Ltd.	4,981,823.43	-	-	4,981,823.43
Total	45,165,979.73	19,141,121.02	-	64,307,100.75

2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Tianjin Shengxiang Plastic Pipes Industry Co., Ltd.	31,940,000.00	-	-	31,940,000.00
Tianjin Shubulok Cement Block Co., Ltd.	8,244,156.30	-	-	8,244,156.30
Zhongfang Huarui (Tangshan) Real Estate Co., Ltd.	-	4,981,823.43	-	4,981,823.43
Total	40,184,156.30	4,981,823.43	-	45,165,979.73

Notes to Financial Statements *(continued)*

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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

15. Investment in other equity instruments

(1) *Investment in other equity instruments*

	2024	2023
Investments in shares of listed companies	405,982,715.50	458,948,024.76
Other equity investments in non-listed companies	248,504,108.06	190,457,572.12
Total	654,486,823.56	649,405,596.88

	Gains included in other comprehensive income for the year	Losses included in other comprehensive income for the year	Gains accumulated in other comprehensive income	Losses accumulated in other comprehensive income	Dividend income for the year	Reason for designating as FVTOCI
Investments in shares of listed companies	-	(52,965,309.26)	-	(544,219,111.20)	4,222,222.22	The shareholding percentage is low and does not constitute significant influence, and the management considers that the investment is not held for sale in the near term
Other equity investments in non-listed companies	57,701,135.94	-	6,190,887.89	(13,450,898.31)	5,905,190.75	The equity is classified as non-trading equity instruments. The shareholding percentage is low and does not constitute significant influence, and the management considers that the investment is not held for sale in the near term
Total	57,701,135.94	(52,965,309.26)	6,190,887.89	(557,670,009.51)	10,127,412.97	

16. Other non-current financial assets

	2024	2023
Financial assets at fair value through profit or loss	489,561,240.56	369,093,598.93

Notes to Financial Statements *(continued)*

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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS*(continued)***17. Investment properties****(1) Investment properties by fair value model****2024**

	Completed buildings	Buildings in progress	Total
Opening balance	40,685,707,043.91	2,985,547,333.76	43,671,254,377.67
Acquisition for the year	42,501,194.21	796,930,051.89	839,431,246.10
Transfer from inventories/fixed assets/construction in progress	2,826,625,917.46	(1,655,211,078.26)	1,171,414,839.20
Disposal or retirement	(150,865,820.43)	–	(150,865,820.43)
Transfer out self-use	(1,156,799,904.09)	–	(1,156,799,904.09)
Changes in fair value	675,683,117.79	–	675,683,117.79
Closing balance	42,922,851,548.85	2,127,266,307.39	45,050,117,856.24

2023

	Completed buildings	Buildings in progress	Total
Opening balance	35,382,171,372.56	3,323,748,264.69	38,705,919,637.25
Acquisition for the year	36,131,087.20	703,599,069.07	739,730,156.27
Transfer from inventories/fixed assets/construction in progress	4,601,109,283.13	(1,041,800,000.00)	3,559,309,283.13
Disposal or retirement	(250,481,549.16)	–	(250,481,549.16)
Others	(153,777,992.58)	–	(153,777,992.58)
Changes in fair value	1,070,554,842.76	–	1,070,554,842.76
Closing balance	40,685,707,043.91	2,985,547,333.76	43,671,254,377.67

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

17. Investment properties *(continued)*

(1) *Investment properties by fair value model (continued)*

The following sets out the breakdown of investment properties:

Name of investment properties	Planned or actual use	Fair value	Fair value
		31 December 2024	31 December 2023
Beijing – Phase 1 of Global Trade Center	Office, commercial and parking space	3,889,512,799.49	3,846,822,783.20
Beijing – Phase 2 of Global Trade Center	Office, commercial and parking space	4,556,785,048.94	4,399,228,005.78
Beijing – Phase 3 of Global Trade Center	Office, commercial and parking space	1,443,000,000.00	1,422,000,000.00
Beijing – Tengda Plaza	Office, commercial and parking space	2,043,000,000.00	2,007,800,000.00
Beijing – Jin Yu Mansion	Office, commercial and parking space	1,628,000,000.00	1,550,000,000.00
Beijing – Dacheng Building	Office, commercial and parking space	1,576,600,000.00	1,478,600,000.00
Beijing – Jianda Building	Office, commercial and parking space	669,000,000.00	659,200,000.00
Beijing – Building Materials Trading Tower	Commercial and parking space	470,000,000.00	473,000,000.00
Tianjin – Shopping Mall in Circum-Bohai Sea Golden Coast	Office, commercial and parking space	2,421,320,000.00	2,427,683,600.00
Beijing – Yucheng Building	Office, commercial and parking space	5,684,656,332.89	6,414,600,000.00
Beijing – Phase 1 of BBMG High-Tech Industrial Park	Office, commercial and parking space	1,036,447,584.36	1,035,478,035.64
Beijing – Phase 2 of BBMG High-Tech Industrial Park	Office, commercial and parking space	841,068,696.84	800,068,696.84
Beijing – BBMG Jiapin Mall	Commercial and parking space	1,008,000,000.00	937,000,000.00
Others	Office, commercial, parking space and apartment	17,782,727,393.72	16,219,773,256.21
Total		45,050,117,856.24	43,671,254,377.67

All the above investment properties are located in the PRC and held under operating commercial leases.

The Group's investment properties were valued by an independent valuer with professional qualifications, using future earnings method and market-based approach on an open market and existing use basis.

Details of pledge of investment properties are set out in Note V. 26.

(2) *Investment properties without completing their procedures for the title certificates*

	Carrying value	Reasons for not completing the procedures for the title certificates
Tianjin Building Materials in Circum-Bohai Sea Golden Coast	791,968,513.05	In the process of handling the procedures for changing the relevant titles

Notes to Financial Statements (continued)

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS
(continued)**18. Fixed assets****(1) Fixed assets**
2024

	Buildings	Machinery and equipment	Transportation equipment	Office and other equipment	Total
Original price					
Opening balance	37,882,345,375.29	34,678,801,349.68	497,375,105.89	1,207,507,948.90	74,266,029,779.76
Purchase	110,639,985.28	290,222,895.86	129,042,533.89	80,764,736.99	610,670,152.02
Transfer from construction in progress	786,438,868.78	1,523,394,570.58	11,950,426.87	82,507,285.79	2,404,291,152.02
Acquisition of subsidiaries	1,398,711,248.51	320,106,296.57	4,989,641.58	5,663,399.67	1,729,470,586.33
Disposal or retirement	(266,286,371.28)	(373,376,661.94)	(236,316,435.21)	(36,666,582.62)	(912,646,051.05)
Disposal of subsidiaries	(86,948,875.22)	(50,435,363.81)	(20,832,334.25)	(3,044,050.91)	(161,260,624.19)
Others	1,046,160,213.38	(9,960,933.69)	(17,116.96)	(2,456,273.99)	1,033,725,888.74
Closing balance	<u>40,871,060,444.74</u>	<u>36,378,752,153.25</u>	<u>386,191,821.81</u>	<u>1,334,276,463.83</u>	<u>78,970,280,883.63</u>
Accumulated depreciation					
Opening balance	11,366,737,233.27	17,148,390,855.01	205,546,685.08	696,683,200.02	29,417,357,973.38
Provision	1,461,184,937.70	2,458,694,138.81	131,581,944.96	150,387,377.69	4,201,848,399.16
Disposal or retirement	(138,520,368.16)	(297,072,885.01)	(209,426,601.10)	(34,099,286.56)	(679,119,140.83)
Disposal of subsidiaries	(32,447,796.85)	(32,398,504.82)	(19,120,566.07)	(2,439,623.94)	(86,406,491.68)
Others	(60,975,535.53)	(7,017,641.42)	(253,949.12)	(2,363,975.64)	(70,611,101.71)
Closing balance	<u>12,595,978,470.43</u>	<u>19,270,595,962.57</u>	<u>108,327,513.75</u>	<u>808,167,691.57</u>	<u>32,783,069,638.32</u>
Provision for impairment					
Opening balance	420,245,759.23	338,976,852.15	7,459,974.32	1,701,805.52	768,384,391.22
Provision	143,319,457.05	86,223,297.85	161,847.84	-	229,704,602.74
Disposal or retirement	(9,365,974.40)	(24,907,653.47)	(6,248,006.16)	(120,648.62)	(40,642,282.65)
Disposal of subsidiaries	(1,394,551.61)	(1,396,933.57)	(292,017.50)	(77,006.23)	(3,160,508.91)
Others	(443,172.71)	-	(184,359.36)	(9,778.36)	(637,310.43)
Closing balance	<u>552,361,517.56</u>	<u>398,895,562.96</u>	<u>897,439.14</u>	<u>1,494,372.31</u>	<u>953,648,891.97</u>
Carrying value					
At the end of the year	<u>27,722,720,456.75</u>	<u>16,709,260,627.72</u>	<u>276,966,868.92</u>	<u>524,614,399.95</u>	<u>45,233,562,353.34</u>
At the beginning of the year	<u>26,095,362,382.79</u>	<u>17,191,433,642.52</u>	<u>284,368,446.49</u>	<u>509,122,943.36</u>	<u>44,080,287,415.16</u>

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

18. Fixed assets *(continued)*

(1) Fixed assets *(continued)*

2023

	Buildings	Machinery and equipment	Transportation equipment	Office and other equipment	Total
Original price					
Opening balance	36,119,777,319.68	32,584,150,267.98	545,242,820.96	1,067,093,947.20	70,316,264,355.82
Purchase	44,685,533.80	285,579,752.22	110,087,507.19	158,693,508.06	599,046,301.27
Transfer from construction in progress	1,617,984,252.37	2,184,716,800.65	2,309,751.36	35,197,336.45	3,840,208,140.83
Acquisition of subsidiaries	43,280,472.29	7,720,978.58	39,989,664.16	86,826.79	91,077,941.82
Disposal or retirement	(163,804,692.99)	(436,412,617.52)	(203,109,111.48)	(49,690,170.27)	(853,016,592.26)
Disposal of subsidiaries	(27,336,735.34)	(56,196,406.39)	(4,927,870.22)	(4,405,957.62)	(92,866,969.57)
Others	247,759,225.48	109,242,574.16	7,782,343.92	532,458.29	365,316,601.85
Closing balance	<u>37,882,345,375.29</u>	<u>34,678,801,349.68</u>	<u>497,375,105.89</u>	<u>1,207,507,948.90</u>	<u>74,266,029,779.76</u>
Accumulated depreciation					
Opening balance	10,012,803,042.83	15,092,998,967.85	263,640,547.18	602,340,197.40	25,971,782,755.26
Provision	1,427,338,447.39	2,378,836,324.89	114,304,025.10	137,385,222.56	4,057,864,019.94
Disposal or retirement	(64,099,305.98)	(317,860,710.10)	(176,060,237.43)	(41,295,290.41)	(599,315,543.92)
Disposal of subsidiaries	(14,112,069.92)	(42,169,143.35)	(4,679,721.20)	(3,742,526.35)	(64,703,460.82)
Others	4,807,118.95	36,585,415.72	8,342,071.43	1,995,596.82	51,730,202.92
Closing balance	<u>11,366,737,233.27</u>	<u>17,148,390,855.01</u>	<u>205,546,685.08</u>	<u>696,683,200.02</u>	<u>29,417,357,973.38</u>
Provision for impairment					
Opening balance	354,543,733.98	317,279,003.15	16,526,621.17	2,164,088.68	690,513,446.98
Provision	70,233,013.37	33,242,182.46	-	83,638.51	103,558,834.34
Disposal or retirement	(6,222,689.44)	(41,831,522.74)	(9,108,389.44)	(542,228.24)	(57,704,829.86)
Disposal of subsidiaries	(7,103,547.31)	(10,378,681.18)	-	(124,315.26)	(17,606,543.75)
Others	8,795,248.63	40,665,870.46	41,742.59	120,621.83	49,623,483.51
Closing balance	<u>420,245,759.23</u>	<u>338,976,852.15</u>	<u>7,459,974.32</u>	<u>1,701,805.52</u>	<u>768,384,391.22</u>
Carrying value					
At the end of the year	<u>26,095,362,382.79</u>	<u>17,191,433,642.52</u>	<u>284,368,446.49</u>	<u>509,122,943.36</u>	<u>44,080,287,415.16</u>
At the beginning of the year	<u>25,752,430,542.87</u>	<u>17,173,872,296.98</u>	<u>265,075,652.61</u>	<u>462,589,661.12</u>	<u>43,653,968,153.58</u>

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS***(continued)***18. Fixed assets** *(continued)***(2) Fixed assets that are temporarily idle**

	Original price	Accumulated depreciation	Provision for impairment	Carrying value
Buildings	220,643,172.00	91,546,118.47	89,115,227.09	39,981,826.44
Machinery and equipment	326,220,515.73	204,622,902.69	97,587,653.52	24,009,959.52
Transportation equipment	13,114,317.86	7,045,765.08	6,043,542.03	25,010.75
Office and other equipment	4,468,397.13	2,760,347.86	1,049,994.24	658,055.03
Total	564,446,402.72	305,975,134.10	193,796,416.88	64,674,851.74

(3) Fixed assets leased under operating leases

	Buildings	Machinery and equipment	Transportation equipment	Total
Original price				
Opening balance	345,369,374.24	12,070,316.67	326,588.00	357,766,278.91
Closing balance	<u>333,630,043.82</u>	<u>39,923,083.62</u>	<u>326,588.00</u>	<u>373,879,715.44</u>
Accumulated depreciation				
Opening balance	166,839,318.43	5,834,222.05	310,258.60	172,983,799.08
Closing balance	<u>173,139,186.56</u>	<u>9,012,493.86</u>	<u>310,258.60</u>	<u>182,461,939.02</u>
Provision for impairment				
Opening balance	26,234,043.88	4,505,546.99	–	30,739,590.87
Closing balance	<u>26,234,043.88</u>	<u>4,505,546.99</u>	<u>–</u>	<u>30,739,590.87</u>
Carrying value				
At the end of the year	<u>134,256,813.38</u>	<u>26,405,042.77</u>	<u>16,329.40</u>	<u>160,678,185.55</u>
At the beginning of the year	<u>152,296,011.93</u>	<u>1,730,547.63</u>	<u>16,329.40</u>	<u>154,042,888.96</u>

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

18. Fixed assets *(continued)*

(4) Fixed assets without completing the procedures for the title certificates

As at 31 December 2024, the carrying amount for fixed assets without completing the procedures for the title certificates amounted to RMB1,419,726,525.64 (31 December 2023: RMB1,258,609,811.72). The Group was in the process of handling the procedures for changing the relevant titles. The management was of the view that the Group had the legitimate and valid right to occupy and use or dispose of the above fixed assets and the above matters would not impose material adverse effect on the operations of the Group.

(5) Impairment tests for fixed assets

Due to indications of impairment, impairment tests were conducted on the machinery and equipment assets attributable to the green building materials segment, the assets of the large wear-resistant cast steel workshop, and the assets of the mechanical processing workshop.

The recoverable amount is determined based on the net amount of fair value less disposal costs:

	Carrying value	Recoverable amount	Impairment amount	Determination of fair value and disposal costs	Key parameters	Determination basis for key parameters
Jidong Cement Fengrun Co., Ltd.	32,280,670.25	288,339.80	31,992,330.45	Fair value is determined using the market approach, and disposal costs are expenses related to disposing of the asset	Asset disposal price, disposal costs	Asset disposal price is based on market prices; disposal costs include direct expenses incurred to make the asset saleable
Lanxian BBMG Cement Co., Ltd.	10,564,957.52	-	10,564,957.52	Fair value is determined using the market approach, and disposal costs are expenses related to disposing of the asset	Asset disposal price, disposal costs	Asset disposal price is based on market prices; disposal costs include direct expenses incurred to make the asset saleable
Jidong Cement Tongchuan Co., Ltd.	148,292,699.56	63,547,983.05	84,744,716.51	Fair value is determined using the market approach, and disposal costs are expenses related to disposing of the asset	Asset disposal price, disposal costs	Asset disposal price is based on market prices; disposal costs include direct expenses incurred to make the asset saleable
BBMG Beishui Environmental Protection Technology Co., Ltd.	90,305,241.09	1,198,495.88	89,106,745.21	Fair value is determined using the market approach, and disposal costs are expenses related to disposing of the asset	Asset disposal price, disposal costs	Asset disposal price is based on market prices; disposal costs include direct expenses incurred to make the asset saleable

Notes to Financial Statements (continued)

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS
(continued)**18. Fixed assets** (continued)**(5) Impairment tests for fixed assets** (continued)

The recoverable amount is determined based on the net amount of fair value less disposal costs: (continued)

	Carrying value	Recoverable amount	Impairment amount	Determination of fair value and disposal costs	Key parameters	Determination basis for key parameters
Tianjin Stone Mine Co., Ltd. (Note 1)	382,399,363.68	528,466,304.40	-	Comparable selling price	Land acquisition and storage unit price	Comparable land acquisition and storage prices in the vicinity
Tianjin Cement Stone Mine Co., Ltd. (Note 2)	1,011,918,373.37	1,365,866,862.45	-	Comparable selling price	Land acquisition and storage unit price	Comparable land acquisition and storage prices in the vicinity
Tianjin Tiancai New Industry Assets Management Co., Ltd. (Note 3)	240,723,525.53	1,235,470,825.09	-	Comparable selling price	Land acquisition and storage unit price	Comparable land acquisition and storage prices in the vicinity
Others	<u>21,288,838.95</u>	<u>7,992,985.90</u>	<u>13,295,853.05</u>			
Total	<u>1,937,773,669.95</u>	<u>3,202,831,796.57</u>	<u>229,704,602.74</u>			

Note 1: The carrying value of Tianjin Stone Mine Co., Ltd. includes carrying value of fixed assets of RMB2,582,514.59 and carrying value of intangible assets of RMB379,816,849.09.

Note 2: The carrying value of Tianjin Cement Stone Mine Co., Ltd. includes carrying value of fixed assets of RMB10,919,978.74 and carrying value of intangible assets of RMB1,000,998,394.63.

Note 3: The carrying value of Tianjin Tiancai New Industry Assets Management Co., Ltd. includes carrying value of fixed assets of RMB1,410,120.72 and carrying value of intangible assets of RMB239,313,404.81.

Notes to Financial Statements *(continued)*

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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

18. Fixed assets *(continued)*

(5) Impairment tests for fixed assets *(continued)*

The recoverable amount is determined based on the present value of estimated future cash flows:

	Carrying value	Recoverable amount	Impairment amount	Term of the budget/forecast period	Key parameters for the budget/forecast period	Key parameters for the stable period	Determination basis for key parameters during the stable period
Tangshan Jinyu Tiancai Pipe Technology Co., Ltd.	166,581,859.38	205,418,487.55	-	11	Revenue and cost growth rate, discount rate	Discount rate	Weighted average cost of assets
Jinyu Thermal Processing Tangshan Co., Ltd. (Note 1)	664,544,967.02	696,099,413.44	-	36	Revenue and cost growth rate, discount rate	Discount rate	Weighted average cost of assets
Tangshan Jidong Development Machinery and Equipment Manufacturing Co., Ltd. (Note 2)	838,212,681.99	928,759,599.06	-	36	Revenue and cost growth rate, discount rate	Discount rate	Weighted average cost of assets
Total	1,669,339,508.39	1,830,277,500.05	-				

Note 1: The carrying value of Jinyu Thermal Processing Tangshan Co., Ltd. includes carrying value of fixed assets of RMB526,468,984.07, carrying value of construction in progress of RMB6,697,347.32, carrying value of intangible assets of RMB74,806,133.11, carrying value of investment properties of RMB54,044,265.65, and carrying value of long-term deferred expenditures of RMB2,528,236.87.

Note 2: The carrying value of Tangshan Jidong Development Machinery and Equipment Manufacturing Co., Ltd. includes carrying value of fixed assets of RMB774,994,950.51, carrying value of intangible assets of RMB59,075,119.65, and carrying value of construction in progress of RMB4,142,611.83.

19. Construction in progress

	2024	2023
Construction in progress	1,984,120,538.57	2,569,722,847.95
Construction materials	19,263,373.00	35,272,366.27
Total	2,003,383,911.57	2,604,995,214.22

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS**
(continued)**19. Construction in progress** (continued)**(1) Construction in progress**

	2024		2023			
	Balance of carrying amount	Provision for impairment	Carrying value	Balance of carrying amount	Provision for impairment	Carrying value
Huahai Wind Power						
– Caofeidian New Wind Power Project	109,604,846.47	–	109,604,846.47	109,936,817.07	–	109,936,817.07
Datong Cement						
– Mine stripping waste rock comprehensive utilization project of Datong Company	–	–	–	65,535,080.95	–	65,535,080.95
– Self-owned special railway line restoration project of Datong Company	20,817,156.20	–	20,817,156.20	18,040,182.39	–	18,040,182.39
– 5.53MW photovoltaic power station project of Datong Company	20,841,088.18	–	20,841,088.18	359,701.61	–	359,701.61
Beijing Jinyu Aerated Concrete						
– Construction project of plants in Glass Cultural and Creative Industrial Park	–	–	–	100,446,394.60	–	100,446,394.60
– Glass Cultural and Creative Industrial Park renovation project	709,920.11	–	709,920.11	60,500,712.43	–	60,500,712.43
Tianjin Tiancai Construction Investment						
– Research and Development Building	33,436,648.68	–	33,436,648.68	33,436,648.68	–	33,436,648.68
BBMG Weiguan (Cangzhou) Chemical						
– Equipment modification and installation	82,736,812.33	–	82,736,812.33	73,043,756.55	–	73,043,756.55
Qianan BBMG Shougang Environmental Technology						
– Slag superfine powder project	–	–	–	225,534,878.38	–	225,534,878.38
Jidong Cement Panshi						
– 4,500t/d clinker cement production line project in new building materials industrial park	–	–	–	2,724,429.39	–	2,724,429.39
– Sand gravel aggregates production line project (CPS) with annual output of 3 million tonnes	–	–	–	218,820.75	–	218,820.75
– Comprehensive utilization construction project of fly ash storage and deep processing in new building materials industrial park (CPS)	–	–	–	59,600,658.66	–	59,600,658.66
Tianjin BBMG Concrete						
– New office building	23,650,000.00	–	23,650,000.00	23,650,000.00	–	23,650,000.00

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

19. Construction in progress *(continued)*

(1) Construction in progress *(continued)*

	2024			2023		
	Balance of carrying amount	Provision for impairment	Carrying value	Balance of carrying amount	Provision for impairment	Carrying value
Shaanxi BBMG Energy-Saving Materials & Technology – Stone wool production line project with annual output of 40,000 tonnes	-	-	-	101,638,549.99	-	101,638,549.99
Shanxi Jinyu aerated assembly parts – Shanxi Jinyu aerated infrastructure project	-	-	-	120,666,947.92	-	120,666,947.92
Tangshan Jidong Development Machinery and Equipment – Equipment under installation	4,142,611.83	-	4,142,611.83	19,979,932.77	-	19,979,932.77
Xingtai BBMG Jidong Cement – Demonstration project of 1.2 million tonnes cement grinding annually produced by Niushan Company	-	-	-	78,209,557.92	-	78,209,557.92
Beijing Jinyu Pinggu Cement – Mortar project	-	-	-	160,118,279.58	-	160,118,279.58
– Digital chain project	-	-	-	326,205,245.06	-	326,205,245.06
Tangshan Jidong Qixin Cement – Collaborative disposal of comprehensive solid waste using cement kilns and residual heat power generation cycle industry project	-	-	-	54,246,411.33	-	54,246,411.33
Beijing Jingu Zhitong Lulian Technology – Jingu Zhitong mining and construction industry Internet project	16,139,387.33	-	16,139,387.33	15,577,440.42	-	15,577,440.42
BBMG Beishui Environmental Protection Technology – Carbon dioxide capture, storage and resource utilization technology demonstration project	151,400,591.09	-	151,400,591.09	103,448,398.66	-	103,448,398.66
Tangshan Jidong Cement Sanyou – Second line cement clinker kiln upgrade project for extended supply chain equipment	17,439,748.81	-	17,439,748.81	89,086,030.94	-	89,086,030.94
Chengde Chengjin Environmental Protection Technology – Project for an annual production of 1 million tonnes of vanadium powder production line of Chengde Chengjin Environmental Protection Technology Co., Ltd.	-	-	-	76,560,009.24	-	76,560,009.24

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS**
*(continued)***19. Construction in progress** *(continued)***(1) Construction in progress** *(continued)*

	2024			2023		
	Balance of carrying amount	Provision for impairment	Carrying value	Balance of carrying amount	Provision for impairment	Carrying value
Inner Mongolia Jidong Cement						
– Aggregate manufactured sand production line project	53,570,765.86	-	53,570,765.86	479,884.16	-	479,884.16
Chengde BBMG Cement						
– Clinker production line high-temperature, high-dust SCR ultra-low emission technology upgrading project	20,013,046.47	-	20,013,046.47	-	-	-
Pingquan Jidong Cement						
– First mining area infrastructure project	19,433,800.22	-	19,433,800.22	18,905,862.36	-	18,905,862.36
BBMG Energy Saving Technology (Tianjin)						
– New alkyl amine and modern green materials industrialization project	122,059,342.92	-	122,059,342.92	968,030.52	-	968,030.52
Handan BBMG Taihang Cement						
– XM-2021-01 2*4500t/d cement kiln co-processing solid waste production line relocation project	19,579,829.62	-	19,579,829.62	18,501,298.89	-	18,501,298.89
Jidong Development Group						
– Nanhu Yingbinguan	64,427,106.25	64,427,106.25	-	64,378,932.25	64,378,932.25	-
Beijing Jinyu Energy-Saving Materials & Technology (Dachang)						
– Annual production of 3 million square meters of inorganic refractory new materials project	38,718,492.60	-	38,718,492.60	-	-	-
Dachang Jinyu Modern Industrial Park						
– Annual production of 4 million square meters of inorganic refractory new materials project	35,608,852.10	-	35,608,852.10	-	-	-
Tangshan Qixin Cement Industry Museum						
– Qixin Building	25,469,358.92	-	25,469,358.92	-	-	-
Jidong Cement Bishan						
– Collaborative disposal of hazardous waste in cement kiln	62,524,732.09	-	62,524,732.09	1,601,564.78	-	1,601,564.78
Hunan Hangjia Building Energy-Saving New Materials						
– Production base with an annual output of 800,000 cubic meters of aerated concrete panels and prefabricated building components	158,331,329.83	-	158,331,329.83	-	-	-
Construction materials	22,590,846.78	3,327,473.78	19,263,373.00	38,722,878.34	3,450,512.07	35,272,366.27
Others	1,013,183,232.02	65,291,055.11	947,892,176.91	675,792,813.75	65,291,491.80	610,501,321.95
Total	2,136,429,546.71	133,045,635.14	2,003,383,911.57	2,738,116,150.34	133,120,936.12	2,604,995,214.22

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

19. Construction in progress *(continued)*

(2) Changes of major construction in progress

2024

	Budget (RMB'000)	Opening balance	Increase during the year	Transferred to fixed assets in the year	Other decrease	Closing balance	Source of funding	Percentage of project investment in budget (%)
Badaling Hot Spring – Resort Upgrade and Renovation	730,000.00	3,535,582.11	20,973,006.70	13,676,726.03	10,831,862.78	–	Self-financing	100
Beijing Jinyu Aerated Concrete – Construction project of plants in Glass Cultural and Creative Industrial Park	120,000.00	100,446,394.60	–	100,446,394.60	–	–	Self-financing	84
Huahai Wind Power Development – Caofeidian New Wind Power Project	1,861,000.00	109,936,817.07	–	–	331,970.60	109,604,846.47	Self-financing	100
Tianjin Tiancai Construction Investment – Research and Development Building	167,558.60	33,436,648.68	–	–	–	33,436,648.68	Borrowing	20
Xingtai BBMG Jidong Cement – Demonstration project of 1.2 million tonnes cement grinding annually produced by Niushan Company	124,150.00	78,209,557.92	39,543,793.06	94,685,297.75	23,068,053.23	–	Self-financing and borrowing	100
Beijing Jinyu Pinggu Cement – Mortar project	190,179.20	160,118,279.58	11,942,828.55	172,061,108.13	–	–	Self-financing and borrowing	100
– Digital chain project	331,266.90	326,205,245.06	6,893,662.59	29,675,830.17	303,423,077.48	–	Self-financing and borrowing	100
BBMG Beishui Environmental Protection Technology – Carbon dioxide capture, storage and resource utilization technology demonstration project	183,330.00	103,448,398.66	47,952,192.43	–	–	151,400,591.09	Self-financing	83
Tangshan Jidong Cement Sanyou – Second line cement clinker kiln upgrade project for extended supply chain equipment	193,440.00	89,086,030.94	62,816,915.20	131,833,116.33	2,630,081.00	17,439,748.81	Self-financing	87
Shannxi Jinyu aerated assembly parts – Shannxi Jinyu aerated infrastructure project	390,370.00	120,666,947.92	1,560,492.74	122,227,440.66	–	–	Self-financing	100

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS**

(continued)

19. Construction in progress (continued)**(2) Changes of major construction in progress** (continued)

2024 (continued)

	Budget (RMB'000)	Opening balance	Increase during the year	Transferred to fixed assets in the year	Other decrease	Closing balance	Source of funding	Percentage of project investment in budget (%)
Shaanxi BBMG Energy-Saving Materials & Technology – Stone wool production line project with annual output of 40,000 tonnes	223,080.30	101,638,549.99	-	101,638,549.99	-	-	Self-financing and borrowing	105
Jinyu Energy Saving Technology (Tianjin) Co., Ltd. – New alkyl amine and modern green materials industrialization project	254,410.00	968,030.52	121,091,312.40	-	-	122,059,342.92	Self-financing	67
Jidong Cement Bishan – Collaborative disposal of hazardous waste in cement kiln by Bishan Company	68,900.00	1,601,564.78	60,923,167.31	-	-	62,524,732.09	Self-financing	91
Hunan Hangjia Building Energy- Saving New Materials Co., Ltd. (湖南杭加建築節能新材 料有限公司) – Production base with an annual output of 800,000 cubic meters of aerated concrete panels and prefabricated building components	230,000.00	-	158,331,329.83	-	-	158,331,329.83	Self-financing and borrowing	79
Beijing Jinyu Energy-Saving Materials & Technology (Dachang) Co., Ltd. – Annual production of 3 million square meters of inorganic refractory new materials project	83,948.80	-	38,718,492.60	-	-	38,718,492.60	Self-financing	10

Note: Other decreases mainly include the transfer of the resort upgrade and renovation project into management expenses, intangible assets and long-term deferred expenditures; the transfer of Xingtai Jinyu cement grinding demonstration project into intangible assets; the transfer of Pinggu cement digital chain project into investment properties; and the transfer of Sanyou Company's second line kiln upgrade project for extended supply chain equipment into intangible assets.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

19. Construction in progress *(continued)*

(2) Changes of major construction in progress *(continued)*

2023

	Budget (RMB'000)	Opening balance	Increase during the year	Transferred to fixed assets in the year	Other decrease	Closing balance	Source of funding	Percentage of project investment in budget (%)
Badaling Hot Spring								
– Resort Upgrade and Renovation	730,000.00	12,510,702.22	12,846,133.86	9,464,971.54	12,356,282.43	3,535,582.11	Self-financing	97
Beijing Jinyu Aerated Concrete								
– Construction project of plants in Glass Cultural and Creative Industrial Park	120,000.00	55,143,179.27	45,303,215.33	–	–	100,446,394.60	Self-financing	84
Huahai Wind Power Development								
– Caofeidian New Wind Power Project	1,861,000.00	109,936,817.07	–	–	–	109,936,817.07	Self-financing	100
Jidong Cement								
– Integrated management, control and operation information platform project	108,860.00	14,507,399.90	–	–	14,507,399.90	–	Self-financing	100
Qianan BBMG Shougang Environmental Technology								
– Slag superfine powder project	261,880.00	212,063,976.07	36,761,202.31	–	23,290,300.00	225,534,878.38	Self-financing and borrowing	100
Tianjin Tiancai Construction Investment								
– Research and Development Building	167,558.64	33,511,727.59	–	–	75,078.91	33,436,648.68	Borrowing	20
Xingtai BBMG Jidong Cement								
– Demonstration project of 1.2 million tonnes cement grinding annually produced by Niushan Company	124,150.00	–	78,209,557.92	–	–	78,209,557.92	Self-financing	63
Beijing Jinyu Pinggu Cement								
– Mortar project	190,179.20	69,964,893.13	90,153,386.45	–	–	160,118,279.58	Self-financing and borrowing	84
– Digital chain project	331,266.90	257,801,789.72	68,403,455.34	–	–	326,205,245.06	Self-financing and borrowing	98

Notes to Financial Statements (continued)

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS
(continued)**19. Construction in progress** (continued)**(2) Changes of major construction in progress** (continued)

2023 (continued)

	Budget (RMB'000)	Opening balance	Increase during the year	Transferred to fixed assets in the year	Other decrease	Closing balance	Source of funding	Percentage of project investment in budget (%)
BBMG Hongshulin Environmental Protection Technology (北京金 隅紅樹林環保技術)								
– Qixin collaborative disposal of domestic waste using cement kilns power generation system project	103,000.00	92,000,920.42	–	92,000,920.42	–	–	Self-financing	100
BBMG Beishui Environmental Protection Technology								
– Carbon dioxide capture, storage and resource utilization technology demonstration project	183,330.00	624,912.98	102,823,485.68	–	–	103,448,398.66	Self-financing	56
Tangshan Jidong Cement Sanyou								
– Second line cement clinker kiln upgrade project for extended supply chain equipment	193,440.00	1,062,124.40	88,023,906.54	–	–	89,086,030.94	Self-financing	81
Shannxi Jinyu aerated assembly parts								
– Shannxi Jinyu aerated infrastructure project	390,370.00	261,874,852.46	56,509,539.65	197,717,444.19	–	120,666,947.92	Self-financing	99
Shaanxi BBMG Energy-Saving Materials & Technology								
– Stone wool production line project with annual output of 40,000 tonnes	223,080.30	194,628,375.30	3,447,154.78	96,436,980.09	–	101,638,549.99	Self-financing and borrowing	103

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

19. Construction in progress *(continued)*

(2) *Changes of major construction in progress (continued)*

The analysis of capitalized amount and capitalization rate of borrowing costs included in balances for construction in progress is set out below:

2024

	Progress of works (%)	Accumulated amount of capitalized interest	Including: capitalized interest for the year	Capitalization rate of interest for the year (%)
BBMG Beishui Environmental Protection Technology Co., Ltd. – Carbon dioxide capture, storage and resource utilization technology demonstration project	83	3,253,055.72	2,048,041.86	2.55
Chengde Chengjin Environmental Protection Technology Co., Ltd. – Project for an annual production of 1 million tonnes of vanadium powder production line of Chengde Chengjin Environmental Protection Technology Co., Ltd.	100	1,732,745.75	1,732,745.75	3.59
Huailai Jinyuan Mining Co., Ltd. – Mine safety governance and work and production resumption project	100	1,126,972.21	792,263.89	2.74
Jidong Cement Panshi Co., Ltd. – 4500t/d clinker cement production line project in new building materials industrial park	100	28,692,460.96	122,444.44	1.42
– Comprehensive utilization construction project of fly ash storage and deep processing	100	2,718,069.36	777,999.98	3.48
BBMG Weiguan (Cangzhou) Chemical Co., Ltd. – Equipment modification and installation	96	504,240.00	504,240.00	2.76
Others	–	380,955.40	380,955.40	–
Total		38,408,499.40	6,358,691.32	

Notes to Financial Statements (continued)

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS
(continued)**19. Construction in progress** (continued)**(2) Changes of major construction in progress** (continued)

The analysis of capitalized amount and capitalization rate of borrowing costs included in balances for construction in progress is set out below: (continued)

2023

	Progress of works (%)	Accumulated amount of capitalized interest	Including: capitalized interest for the year	Capitalization rate of interest for the year (%)
Shaanxi Jinyu Aerated Assembly Parts Co., Ltd. – Project of assembly parts with an annual output of 600,000 m ³	99.00	8,237,625.53	6,310,511.36	1.89
Tangshan Caofeidian Jidong Equipment Machinery Hot Working Co., Ltd. – Large-scale metal material intelligent manufacturing project	100.00	5,289,060.95	3,898,952.76	1.34
Qianan BBMG Shougang Environmental Technology Co., Ltd. – Comprehensive utilization project of solid waste resources	100.00	5,452,422.58	3,842,596.52	3.84
Jidong Cement Panshi Co., Ltd. – 4,500t/d clinker cement production line project in new building materials industrial park	100.00	28,570,016.52	12,773,544.38	3.53
– Comprehensive utilization construction project of fly ash storage and deep processing	100.00	1,940,069.38	1,619,986.06	3.02
Beijing Jinyu Pinggu Cement Co., Ltd. – Mortar project	95.00	3,569,517.15	2,926,221.61	0.99
– Digital chain project	96.00	7,058,831.66	5,519,445.99	1.08
Others	–	1,799,268.10	1,406,947.24	–
Total		61,916,811.87	38,298,205.92	

Note: In 2024, the capitalized interest of RMB6,358,691.32 (2023: RMB38,298,205.92) was included in construction in progress and RMB54,726,714.34 (2023: RMB1,701,266.17) was transferred to fixed assets.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

19. Construction in progress *(continued)*

(3) Provision for impairment of construction in progress

2024

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Jidong Group				
– Nanhu Yingbinguan	64,378,932.25	48,174.00	–	64,427,106.25
– Caofeidian Industrial Park	8,459,717.49	–	–	8,459,717.49
Jidong Cement Tongchuan				
– Conveyor belt project	28,893,452.21	–	–	28,893,452.21
Others	27,938,322.10	23,306.23	23,742.92	27,937,885.41
Provision for impairment of construction in progress	129,670,424.05	71,480.23	23,742.92	129,718,161.36
Provision for impairment of construction materials	3,450,512.07	–	123,038.29	3,327,473.78
Total	133,120,936.12	71,480.23	146,781.21	133,045,635.14

2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Jidong Group				
– Nanhu Yingbinguan	64,378,932.25	–	–	64,378,932.25
– Caofeidian Industrial Park	–	8,459,717.49	–	8,459,717.49
Jidong Cement Tongchuan				
– Conveyor belt project	15,484,675.98	13,408,776.23	–	28,893,452.21
Others	27,938,322.10	–	–	27,938,322.10
Provision for impairment of construction in progress	107,801,930.33	21,868,493.72	–	129,670,424.05
Provision for impairment of construction materials	3,450,512.07	–	–	3,450,512.07
Total	111,252,442.40	21,868,493.72	–	133,120,936.12

Note: The reason for the impairment provision for the above projects is due to the suspension of construction of such projects.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS*(continued)***20. Right-of-use assets****(1) Right-of-use assets****2024**

	Lands	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Total
Cost						
Opening balance	795,729,879.65	776,181,193.39	29,620,871.21	977,286.90	21,211,535.40	1,623,720,766.55
Increase	38,567,139.98	236,292,438.94	-	234,604.64	-	275,094,183.56
Disposal	(13,379,052.48)	(144,268,378.90)	-	(706,801.49)	-	(158,354,232.87)
Closing balance	<u>820,917,967.15</u>	<u>868,205,253.43</u>	<u>29,620,871.21</u>	<u>505,090.05</u>	<u>21,211,535.40</u>	<u>1,740,460,717.24</u>
Accumulated depreciation						
Opening balance	190,774,952.00	431,871,143.50	13,559,777.43	746,938.91	8,930,313.54	645,883,125.38
Provision	60,780,554.21	135,815,294.52	4,701,564.00	249,898.33	-	201,547,311.06
Disposal	(11,209,459.93)	(42,227,377.83)	-	(706,801.49)	-	(54,143,639.25)
Closing balance	<u>240,346,046.28</u>	<u>525,459,060.19</u>	<u>18,261,341.43</u>	<u>290,035.75</u>	<u>8,930,313.54</u>	<u>793,286,797.19</u>
Provision for impairment						
Opening and closing balance	<u>464,557.00</u>	-	-	-	-	<u>464,557.00</u>
Carrying value						
At the end of the year	<u>580,107,363.87</u>	<u>342,746,193.24</u>	<u>11,359,529.78</u>	<u>215,054.30</u>	<u>12,281,221.86</u>	<u>946,709,363.05</u>
At the beginning of the year	<u>604,490,370.65</u>	<u>344,310,049.89</u>	<u>16,061,093.78</u>	<u>230,347.99</u>	<u>12,281,221.86</u>	<u>977,373,084.17</u>

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

20. Right-of-use assets *(continued)*

(1) *Right-of-use assets (continued)*

2023

	Lands	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Total
Cost						
Opening balance	781,690,777.38	643,232,441.96	22,785,641.14	783,769.42	21,211,535.40	1,469,704,165.30
Increase	79,146,159.10	359,916,876.12	10,633,981.28	193,517.48	-	449,890,533.98
Disposal	(65,107,056.83)	(226,968,124.69)	(3,798,751.21)	-	-	(295,873,932.73)
Closing balance	<u>795,729,879.65</u>	<u>776,181,193.39</u>	<u>29,620,871.21</u>	<u>977,286.90</u>	<u>21,211,535.40</u>	<u>1,623,720,766.55</u>
Accumulated depreciation						
Opening balance	156,402,577.32	341,394,801.91	8,450,594.69	206,431.97	8,930,313.54	515,384,719.43
Provision	65,874,692.58	143,838,031.30	8,820,977.18	540,506.94	-	219,074,208.00
Disposal	(31,502,317.90)	(53,361,689.71)	(3,711,794.44)	-	-	(88,575,802.05)
Closing balance	<u>190,774,952.00</u>	<u>431,871,143.50</u>	<u>13,559,777.43</u>	<u>746,938.91</u>	<u>8,930,313.54</u>	<u>645,883,125.38</u>
Provision for impairment						
Opening and closing balance	<u>464,557.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>464,557.00</u>
Carrying value						
At the end of the year	<u>604,490,370.65</u>	<u>344,310,049.89</u>	<u>16,061,093.78</u>	<u>230,347.99</u>	<u>12,281,221.86</u>	<u>977,373,084.17</u>
At the beginning of the year	<u>624,823,643.06</u>	<u>301,837,640.05</u>	<u>14,335,046.45</u>	<u>577,337.45</u>	<u>12,281,221.86</u>	<u>953,854,888.87</u>

Notes to Financial Statements (continued)

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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS
(continued)**21. Intangible assets****(1) Intangible assets**
2024

	Computer software					Total
	Land use rights	licenses	Mining rights	Trademark rights	Others	
Original value						
Opening balance	15,296,935,509.86	650,946,990.01	4,416,986,004.10	84,329,478.76	289,646,297.45	20,738,844,280.18
Purchase	82,381,750.15	103,764,851.61	76,638,181.69	4,838,511.51	15,930,133.74	283,553,428.70
Business combinations not under common control	503,410,175.36	942,144.43	175,181,181.91	-	-	679,533,501.70
Disposal	(323,391,525.97)	(1,516,108.57)	-	-	-	(324,907,634.54)
Other decrease	(5,628,396.96)	(9,195,889.82)	-	-	-	(14,824,286.78)
Closing balance	<u>15,553,707,512.44</u>	<u>744,941,987.66</u>	<u>4,668,805,367.70</u>	<u>89,167,990.27</u>	<u>305,576,431.19</u>	<u>21,362,199,289.26</u>
Accumulated amortization						
Opening balance	2,789,828,552.24	346,001,235.70	1,108,402,783.55	14,861,952.88	136,838,646.92	4,395,933,171.29
Provision	343,074,035.92	90,725,087.05	132,508,138.87	5,623,984.87	4,838,863.41	576,770,110.12
Disposal	(49,021,255.31)	(1,454,347.89)	-	-	-	(50,475,603.20)
Other decrease	(2,352,405.31)	(2,228,461.35)	-	-	-	(4,580,866.66)
Closing balance	<u>3,081,528,927.54</u>	<u>433,043,513.51</u>	<u>1,240,910,922.42</u>	<u>20,485,937.75</u>	<u>141,677,510.33</u>	<u>4,917,646,811.55</u>
Provision for impairment						
Opening and closing balance	<u>32,074,445.75</u>	-	<u>130,098,195.50</u>	<u>5,000,000.00</u>	<u>5,717,504.26</u>	<u>172,890,145.51</u>
Carrying value						
At the end of the year	<u>12,440,104,139.15</u>	<u>311,898,474.15</u>	<u>3,297,796,249.78</u>	<u>63,682,052.52</u>	<u>158,181,416.60</u>	<u>16,271,662,332.20</u>
At the beginning of the year	<u>12,475,032,511.87</u>	<u>304,945,754.31</u>	<u>3,178,485,025.05</u>	<u>64,467,525.88</u>	<u>147,090,146.27</u>	<u>16,170,020,963.38</u>

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

21. Intangible assets *(continued)*

(1) Intangible assets *(continued)*

2023

	Land use rights	Computer software licenses	Mining rights	Trademark rights	Others	Total
Original value						
Opening balance	15,028,387,218.03	503,290,797.62	4,026,991,211.46	84,329,478.76	272,806,807.49	19,915,805,513.36
Purchase	345,358,060.47	148,163,024.72	393,959,791.64	-	12,242,186.56	899,723,063.39
Business combinations not under common control						
	28,620,532.02	-	-	-	6,667,587.33	35,288,119.35
Disposal	(105,430,300.66)	(506,832.33)	-	-	(2,070,283.93)	(108,007,416.92)
Other decrease	-	-	(3,964,999.00)	-	-	(3,964,999.00)
Closing balance	<u>15,296,935,509.86</u>	<u>650,946,990.01</u>	<u>4,416,986,004.10</u>	<u>84,329,478.76</u>	<u>289,646,297.45</u>	<u>20,738,844,280.18</u>
Accumulated amortization						
Opening balance	2,464,265,512.05	265,635,970.37	982,088,289.89	9,662,097.15	133,910,401.36	3,855,562,270.82
Provision	344,634,952.75	80,651,708.41	126,314,493.66	5,199,855.73	2,942,945.56	559,743,956.11
Disposal	(19,071,912.56)	(286,443.08)	-	-	(14,700.00)	(19,373,055.64)
Closing balance	<u>2,789,828,552.24</u>	<u>346,001,235.70</u>	<u>1,108,402,783.55</u>	<u>14,861,952.88</u>	<u>136,838,646.92</u>	<u>4,395,933,171.29</u>
Provision for impairment						
Opening and closing balance	<u>32,074,445.75</u>	<u>-</u>	<u>130,098,195.50</u>	<u>5,000,000.00</u>	<u>5,717,504.26</u>	<u>172,890,145.51</u>
Carrying value						
At the end of the year	<u>12,475,032,511.87</u>	<u>304,945,754.31</u>	<u>3,178,485,025.05</u>	<u>64,467,525.88</u>	<u>147,090,146.27</u>	<u>16,170,020,963.38</u>
At the beginning of the year	<u>12,532,047,260.23</u>	<u>237,654,827.25</u>	<u>2,914,804,726.07</u>	<u>69,667,381.61</u>	<u>133,178,901.87</u>	<u>15,887,353,097.03</u>

Notes to Financial Statements (continued)

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS
(continued)**21. Intangible assets** (continued)**(1) Intangible assets** (continued)

All land use rights owned by the Group are within the PRC and are analysed as follows according to the remaining useful lives:

	2024	2023
Less than 50 years	12,440,104,139.15	12,475,032,511.87

Details of pledge of intangible assets are set out in Note V. 26.

The recoverable amount is determined based on the present value of estimated future cash flows:

	Carrying value	Recoverable amount	Impairment amount	Term of the budget/forecast period	Key parameters for the budget/forecast period	Key parameter for the stable period	Determination basis for key parameters during the stable period
Tangshan Jinyu Tiancai Pipe Technology Co., Ltd.	722,955.84	921,365.76	-	2025-2029	Revenue and cost growth rate, discount rate	Discount rate	Weighted average cost of assets

Note: For the impairment testing of intangible assets of Tianjin Stone Mine Co., Ltd., Tianjin Cement Stone Mine Co., Ltd., Tianjin Tiancai New Industry Assets Management Co., Ltd., Jinyu Thermal Processing Tangshan Co., Ltd., and Tangshan Jidong Development Machinery and Equipment Manufacturing Co., Ltd., please refer to Note V. 18.

As at 31 December 2024, the useful life of trademark rights with a carrying amount of RMB63,682,052.52 (31 December 2023: RMB64,467,525.88) was indefinite. The Group can apply for extension at the end of the expiration of protection periods of trademark rights with lower handling fees, and according to comprehensive judgment on product life cycle, market conditions and other factors, such trademark rights will bring economic benefits to the Group during future periods. After evaluated by the management of the Group, no provision for impairment is necessary.

As at 31 December 2024, the carrying value of intangible assets of the Group pending completion of the procedures for title certificates amounted to RMB224,985,533.92 (31 December 2023: RMB287,400,281.49). The management of the Group is of the view that there would not be any material adverse impact on the business operation of the Group from the aforementioned incomplete procedures for the title certificates.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

22. Goodwill

(1) Original value of goodwill 2024

	Opening balance	Increase during the year Business combinations	Closing balance
Hebei BBMG Dingxin Cement Co., Ltd. (河北金隅鼎鑫水泥有限公司)	189,815,999.91	–	189,815,999.91
Gongyi Tongda Zhongyuan Refractory Technology Co., Ltd. (鞏義通達中原耐火技術有限公司)	3,967,009.95	–	3,967,009.95
Handan BBMG Taihang Cement Co., Ltd. (邯鄲金隅太行水泥有限責任公司)	26,884,752.28	–	26,884,752.28
Baoding Taihang Heyi Cement Co., Ltd. (保定太行和益水泥有限公司)	11,428,946.82	–	11,428,946.82
Beijing Qianglian Cement Co., Ltd. (北京強聯水泥有限公司)	2,742,710.29	–	2,742,710.29
Tianjin BBMG Zhenxing Environmental Protection Technology Co., Ltd. (天津金隅振興環保科技有限公司)	10,931,009.96	–	10,931,009.96
Handan Shexian BBMG Cement Co., Ltd. (邯鄲涉縣金隅水泥有限公司)	56,276,121.38	–	56,276,121.38
Jidong Cement Business (冀東水泥業務)	2,013,854,242.93	–	2,013,854,242.93
Jidong Equipment Business (冀東裝備業務)	477,549,380.23	–	477,549,380.23
Baogang Jidong Cement Co., Ltd. (包鋼冀東水泥有限公司)	1,181,333.25	–	1,181,333.25
Beijing Jingu Zhitong Lulian Technology Co., Ltd. (北京金谷智通綠鏈科技有限公司)	3,441,762.77	–	3,441,762.77
Shanxi BBMG Jidong Environmental Protection Technology Co., Ltd. (山西金隅冀東環保科技有限公司)	70,191,522.45	–	70,191,522.45
Handan Dongfang Risheng Commercial Concrete Co., Ltd. (邯鄲市東方日盛商品混凝土有限公司)	4,995,998.32	–	4,995,998.32
Shaanxi Qinhan Hengsheng New Building Materials Technology Co., Ltd. (陝西秦漢恆盛新型建材科技有限責任公司)	14,841,384.96	–	14,841,384.96
Zhejiang Jinyu Hangjia Green Building Technology Co., Ltd. (浙江金隅杭加綠建科技有限公司)	–	85,356,654.04	85,356,654.04
Shuangyashan New Era Cement Co., Ltd. (雙鴨山新時代水泥有限責任公司)	–	42,009,032.68	42,009,032.68
Wenxi Xinxin Haitian Concrete Co., Ltd. (聞喜新鑫海天混凝土有限公司)	–	255,360.18	255,360.18
Yuncheng Haixin Haitian Concrete Co., Ltd. (運城市海鑫海天混凝土有限公司)	–	5,403,615.74	5,403,615.74
	<u>2,888,102,175.50</u>	<u>133,024,662.64</u>	<u>3,021,126,838.14</u>
Less: Provision for impairment of goodwill	<u>359,757,523.95</u>	<u>17,000,000.00</u>	<u>376,757,523.95</u>
Total	<u>2,528,344,651.55</u>	<u>116,024,662.64</u>	<u>2,644,369,314.19</u>

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS**
(continued)**22. Goodwill** (continued)**(1) Original value of goodwill** (continued)

2023

	Opening balance	Increase during the year Business combinations	Closing balance
Hebei BBMG Dingxin Cement Co., Ltd. (河北金隅鼎鑫水泥有限公司)	189,815,999.91	–	189,815,999.91
Gongyi Tongda Zhongyuan Refractory Technology Co., Ltd. (鞏義通達中原耐火技術有限公司)	3,967,009.95	–	3,967,009.95
Handan BBMG Taihang Cement Co., Ltd. (邯鄲金隅太行水泥有限責任公司)	26,884,752.28	–	26,884,752.28
Baoding Taihang Heyi Cement Co., Ltd. (保定太行和益水泥有限公司)	11,428,946.82	–	11,428,946.82
Beijing Qianglian Cement Co., Ltd. (北京強聯水泥有限公司)	2,742,710.29	–	2,742,710.29
Tianjin BBMG Zhenxing Environmental Protection Technology Co., Ltd. (天津金隅振興環保科技有限公司)	10,931,009.96	–	10,931,009.96
Handan Shexian BBMG Cement Co., Ltd. (邯鄲涉縣金隅水泥有限公司)	56,276,121.38	–	56,276,121.38
Jidong Cement Business (冀東水泥業務)	2,013,854,242.93	–	2,013,854,242.93
Jidong Equipment Business (冀東裝備業務)	477,549,380.23	–	477,549,380.23
Baogang Jidong Cement Co., Ltd. (包鋼冀東水泥有限公司)	1,181,333.25	–	1,181,333.25
Beijing Jingu Zhitong Lulian Technology Co., Ltd. (北京金 谷智通綠鏈科技有限公司)	3,441,762.77	–	3,441,762.77
Shanxi BBMG Jidong Environmental Protection Technology Co., Ltd. (山西金隅冀東環保科技有限公司)	70,191,522.45	–	70,191,522.45
Handan Dongfang Risheng Commercial Concrete Co., Ltd. (邯鄲市東方日盛商品混凝土有限公司)	4,995,998.32	–	4,995,998.32
Shaanxi Qinhan Hengsheng New Building Materials Technology Co., Ltd. (陝西秦漢恆盛新型建材科技有 限責任公司)	–	14,841,384.96	14,841,384.96
	2,873,260,790.54	14,841,384.96	2,888,102,175.50
Less: Provision for impairment of goodwill	359,757,523.95	–	359,757,523.95
Total	2,513,503,266.59	14,841,384.96	2,528,344,651.55

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

22. Goodwill *(continued)*

(2) Provision for impairment of goodwill

2024

	Opening balance	Increase during the year Provision	Closing balance
Gongyi Tongda Zhongyuan Refractory Technology Co., Ltd.	3,967,009.95	–	3,967,009.95
Beijing Qianglian Cement Co., Ltd.	2,742,710.29	–	2,742,710.29
Tianjin BBMG Zhenxing Environmental Protection Technology Co., Ltd.	10,931,009.96	–	10,931,009.96
Handan Shexian BBMG Cement Co., Ltd.	35,521,793.75	–	35,521,793.75
Jidong Equipment Business	306,595,000.00	17,000,000.00	323,595,000.00
Total	359,757,523.95	17,000,000.00	376,757,523.95

2023

	Opening and closing balance
Gongyi Tongda Zhongyuan Refractory Technology Co., Ltd.	3,967,009.95
Beijing Qianglian Cement Co., Ltd.	2,742,710.29
Tianjin BBMG Zhenxing Environmental Protection Technology Co., Ltd.	10,931,009.96
Handan Shexian BBMG Cement Co., Ltd.	35,521,793.75
Jidong Equipment Business	306,595,000.00
Total	359,757,523.95

The Group acquired Zhejiang Jinyu Hangjia Green Building Technology Co., Ltd. and other companies during the year, resulting in a goodwill of RMB133,024,662.64. The calculation process is detailed in Note VI. 1.

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS***(continued)***22. Goodwill** *(continued)***(3) Information related to the asset group or set of asset groups where goodwill is located**

	Composition and basis of the asset group or set of asset groups to which it belongs	Operating segment to which it belongs and its basis	Whether consistent with previous years
Jidong Equipment Business Asset Group	Main component is Tangshan Jidong Equipment & Engineering Co., Ltd. The synergistic benefits of the acquisition of Tangshan Jidong Equipment & Engineering Co., Ltd. are enjoyed by the entire Jidong Equipment Business, and it is difficult to allocate them to each asset group. Therefore, goodwill is allocated to the asset group combination.	For internal management purposes, the asset group combination is attributed to the green building materials segment.	Yes
Jidong Cement Business Asset Group	Main component is Jidong Cement Co., Ltd. The synergistic benefits of the acquisition of Jidong Cement Co., Ltd. are enjoyed by the entire Cement Business, and it is difficult to allocate them to each asset group. Therefore, goodwill is allocated to the asset group combination.	For internal management purposes, the asset group is attributed to the green building materials segment.	Yes
Jinyu Hangjia Asset Group	Main component is Zhejiang Jinyu Hangjia Green Building Technology Co., Ltd. (浙江金隅杭加綠建科技有限公司). The synergistic benefits of the acquisition of Zhejiang Jinyu Hangjia Green Building Technology Co., Ltd. (浙江金隅杭加綠建科技有限公司) are enjoyed by the entire Aerated Business, and it is difficult to allocate them to each asset group. Therefore, goodwill is allocated to the asset group combination.	For internal management purposes, the asset group is attributed to the green building materials segment.	Yes
Other Asset Group	The goodwill of the Company is formed when acquiring the equity of the above-mentioned companies. Each company is considered as an asset group, and its cash inflows are independent of the cash inflows generated by other assets or asset groups.	For internal management purposes, the asset group is attributed to the green building materials segment.	Yes

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

22. Goodwill *(continued)*

(4) Determination method for recoverable amount

The recoverable amount is determined based on the net amount of fair value less disposal costs:

	Carrying value	Recoverable amount	Impairment amount	Determination method of fair value and disposal costs	Key parameters	Determination basis for key parameters
Jidong Equipment Business	1,398,633,571.16	1,551,300,000.00	323,595,000.00	Fair value is determined using the market valuation method, and disposal costs are expenses related to stock trading.	Share price, total number of shares, disposal costs	The share price is the stock price obtained from a public website at the end of the year; the total number of shares is the number of shares obtained from a public website at the end of the year; and the disposal costs are the commissions, stamp duties, transfer fees, and other fees associated with stock trading.

On 30 June 2024, the management conducted an impairment test on the goodwill of Jidong Equipment Business and made an impairment provision of RMB1,700,000.00.

The recoverable amount is determined based on the present value of estimated future cash flows:

	Carrying value	Recoverable amount	Impairment amount	Term of the budget/forecast period	Key parameters for the budget/forecast period	Key parameters for the stable period	Determination basis for key parameters during the stable period
Jidong Cement Business	47,934,247,352.45	66,623,294,039.72	-	5 years	Revenue growth rate of 1%-3%, profit margin of 9%-12%, discount rate of 9.47%	Revenue growth rate of 2%, profit margin of 12%, discount rate of 9.47%	The revenue growth rate is 2% during the stable period, and the profit margin and discount rate are consistent with the last period
Hebei BBMG Dingxin Cement Co., Ltd.	1,971,726,045.98	3,814,877,426.40	-	5 years	Revenue growth rate of -4%-2%, profit margin of 10%-15%, discount rate of 9.47%	Revenue growth rate of 2%, profit margin of 15%, discount rate of 9.47%	The revenue growth rate is 2% during the stable period, and the profit margin and discount rate are consistent with the last period
Gongyi Tongda Zhongyuan Refractory Technology Co., Ltd.	53,841,341.01	53,841,341.01	3,967,009.95	Full impairment provision, N/A	-	-	-

Notes to Financial Statements (continued)

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS
(continued)**22. Goodwill** (continued)**(4) Determination method for recoverable amount** (continued)

The recoverable amount is determined based on the present value of estimated future cash flows: (continued)

	Carrying value	Recoverable amount	Impairment amount	Term of the budget/forecast period	Key parameters for the budget/forecast period	Key parameters for the stable period	Determination basis for key parameters during the stable period
Handan BBMG Taihang Cement Co., Ltd.	836,838,570.79	1,858,991,689.85	-	5 years	Revenue growth rate of 3%-8%, profit margin of 4%-14%, discount rate of 7.56%	Revenue growth rate of 2%, profit margin of 14%, discount rate of 9.47%	The revenue growth rate is 2% during the stable period, and the profit margin and discount rate are consistent with the last period
Baoding Taihang Heyi Cement Co., Ltd.	459,574,263.63	616,561,090.91	-	5 years	Revenue growth rate of 4%-5%, profit margin of 11%, discount rate of 9.47%	Revenue growth rate of 2%, profit margin of 11%, discount rate of 9.47%	The revenue growth rate is 2% during the stable period, and the profit margin and discount rate are consistent with the last period
Beijing Qianglian Cement Co., Ltd.	29,745,655.10	29,745,655.10	2,742,710.29	Full impairment	-	-	-
Tianjin BBMG Zhenxing Environmental Protection Technology Co., Ltd.	456,550,422.93	456,550,422.93	10,931,009.96	Full impairment	-	-	-
Handan Shexian BBMG Cement Co., Ltd.	490,087,308.66	1,018,519,005.84	35,521,793.75	5 years	Revenue growth rate of 1%-2%, profit margin of 5%-6%, discount rate of 9.47%	Revenue growth rate of 2%, profit margin of 6%, discount rate of 9.47%	The revenue growth rate is 2% during the stable period, and the profit margin and discount rate are consistent with the last period
Baogang Jidong Cement Co., Ltd.	234,621,247.88	264,535,869.25	-	5 years	Revenue growth rate of 1%-21%, profit margin of 1%-3%, discount rate of 9.47%	Revenue growth rate of 2%, profit margin of 10%, discount rate of 9.47%	The revenue growth rate is 2% during the stable period, and the profit margin and discount rate are consistent with the last period

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

22. Goodwill *(continued)*

(4) Determination method for recoverable amount *(continued)*

The recoverable amount is determined based on the present value of estimated future cash flows: *(continued)*

	Carrying value	Recoverable amount	Impairment amount	Term of the budget/forecast period	Key parameters for the budget/forecast period	Key parameters for the stable period	Determination basis for key parameters during the stable period
Beijing Jingu Zhitong Lulian Technology Co., Ltd. (北京金谷智通綠鏈科技有限公司)	170,710,933.97	210,316,283.32	-	5 years	Revenue growth rate of 5%-81%, profit margin of 0%-1%, discount rate of 9.47%	Revenue growth rate of 2%, profit margin of 2%, discount rate of 9.47%	The revenue growth rate is 2% during the stable period, and the profit margin and discount rate are consistent with the last period
Shanxi BBMG Jidong Environmental Protection Technology Co., Ltd. (山西金隅冀東環保科技有限公司)	1,606,300,861.69	3,005,854,278.14	-	5 years	Revenue growth rate of 0%-18%, profit margin of 4%-6%, discount rate of 9.47%	Revenue growth rate of 2%, profit margin of 6%, discount rate of 9.47%	The revenue growth rate is 2% during the stable period, and the profit margin and discount rate are consistent with the last period
Handan Dongfang Risheng Commercial Concrete Co., Ltd. (邯鄲市東方日盛商品混凝土有限公司)	15,796,109.24	104,977,273.92	-	5 years	Revenue growth rate of -7%-6%, profit margin of 3%-5%, discount rate of 9.47%	Revenue growth rate of 2%, profit margin of 13%, discount rate of 9.47%	The revenue growth rate is 2% during the stable period, and the profit margin and discount rate are consistent with the last period
Shaanxi Qinhan Hengsheng New Building Materials Technology Co., Ltd. (陝西秦漢恒盛新型建材科技有限責任公司)	90,156,045.64	596,943,772.41	-	5 years	Revenue growth rate of 2%-6%, profit margin of 15%-18%, discount rate of 9.47%	Revenue growth rate of 2%, profit margin of 18%, discount rate of 9.47%	The revenue growth rate is 2% during the stable period, and the profit margin and discount rate are consistent with the last period
Total	54,350,196,158.97	78,655,008,148.80	53,162,523.95				

Notes to Financial Statements (continued)

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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

22. Goodwill (continued)**(4) Determination method for recoverable amount** (continued)

Measurement basis and major assumptions for determining the recoverable amount of the above assets groups are as follows:

The recoverable amount was determined based on the higher of the net amount of fair value of the assets group less costs to disposal and the present value of the estimated future cash flow of the assets group.

The goodwill formed by the acquisition of equity interests of the listed companies by the Company was determined as the net amount of fair value less costs to disposal based on the market value of the interests held by the Group in the RMB denominated ordinary shares of the listed companies issued by way of public issuance as at 31 December 2024 after adjustments.

The estimated future cash flows of the asset group are based on the five-year financial budget approved by the management at a discount rate of 9%-11% (2023: 10%-11%). The estimated cash flows of these assets groups beyond five years are determined at a fixed growth rate of 1%-3% (2023: 1%-3%) per annum. Other key assumptions adopted during the evaluation include estimated production capacity, future selling price, growth rate, expected gross profit margin and relevant expenditures of the asset product portfolio, and the above assumptions are based on the previous performance of these assets groups, industry standard and the management's expectations on market development.

23. Long-term deferred expenditures**2024**

	Opening balance	Increase during the year	Amortisation during the year	Other decrease	Closing balance
Decoration Leasehold	120,456,957.12	87,473,132.56	46,212,555.71	4,820,044.61	156,897,489.36
improvement for fixed assets rented	20,519,782.83	2,919,698.42	5,061,429.01	329,919.78	18,048,132.46
Land lease prepayments and compensation for land acquisition	329,480,476.30	82,041,406.89	42,758,569.77	13,476,127.43	355,287,185.99
Cost of stripping mines	788,977,667.36	113,400,569.67	129,986,513.86	1,205,820.95	771,185,902.22
Others	<u>590,319,260.98</u>	<u>295,653,898.74</u>	<u>172,754,221.53</u>	<u>40,263,672.87</u>	<u>672,955,265.32</u>
Total	<u>1,849,754,144.59</u>	<u>581,488,706.28</u>	<u>396,773,289.88</u>	<u>60,095,585.64</u>	<u>1,974,373,975.35</u>

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

23. Long-term deferred expenditures *(continued)*

2023

	Opening balance	Increase during the year	Amortisation during the year	Other decrease	Closing balance
Decoration	136,347,240.10	50,441,548.86	62,895,143.25	3,436,688.59	120,456,957.12
Leasehold improvement for fixed assets rented	23,140,003.86	2,569,172.29	5,189,393.32	–	20,519,782.83
Land lease prepayments and compensation for land acquisition	307,363,758.65	57,508,375.46	32,767,906.82	2,623,750.99	329,480,476.30
Cost of stripping mines	734,621,560.46	187,284,568.54	130,914,545.30	2,013,916.34	788,977,667.36
Others	562,056,886.48	211,728,073.85	179,213,424.71	4,252,274.64	590,319,260.98
Total	1,763,529,449.55	509,531,739.00	410,980,413.40	12,326,630.56	1,849,754,144.59

24. Deferred income tax assets/liabilities

(1) Deferred income tax assets not eliminated

	2024		2023	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for LAT	902,907,306.32	225,726,826.58	1,503,650,174.60	375,912,543.65
Deductible losses	5,810,470,927.92	1,452,617,731.98	6,409,463,305.68	1,602,365,826.42
Provision for impairment of assets	1,696,537,430.84	424,134,357.71	1,993,490,758.52	498,372,689.63
Difference in accounting and tax of revenue recognition	3,241,780.48	810,445.12	6,190,595.84	1,547,648.96
Accrual of property development cost	509,093,186.64	127,273,296.66	1,476,842,982.24	369,210,745.56
Unrealised profits and losses of internal transactions	1,332,313,980.56	333,078,495.14	910,678,697.00	227,669,674.25
Changes in fair value of other equity instruments	540,080,985.48	135,020,246.37	543,831,739.08	135,957,934.77
Others	875,946,060.12	218,986,515.03	1,074,946,313.44	268,736,578.36
Total	11,670,591,658.36	2,917,647,914.59	13,919,094,566.40	3,479,773,641.60

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS**
*(continued)***24. Deferred income tax assets/liabilities** *(continued)***(2) Deferred income tax liabilities not eliminated**

	2024		2023	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Valuation gains of investment properties	11,904,996,910.88	2,976,249,227.72	11,210,608,393.96	2,802,652,098.49
Assessment increase/decrease in business combination	12,729,891,753.80	3,182,472,938.45	12,419,888,116.20	3,104,972,029.05
Others	2,129,577,332.76	532,394,333.19	2,138,596,537.22	534,649,134.31
Total	26,764,465,997.44	6,691,116,499.36	25,769,093,047.38	6,442,273,261.85

(3) Unrecognised deferred income tax assets

	2024	2023
Deductible temporary differences	7,291,216,294.83	9,321,979,894.88
Deductible losses	20,135,952,326.25	20,753,166,126.29
Total	27,427,168,621.08	30,075,146,021.17

(4) Maturity analysis of the deductible losses that are not recognised as deferred income tax assets

	2024	2023
2024	–	3,464,335,328.90
2025	1,915,561,740.74	2,680,442,890.28
2026	3,139,874,019.78	3,604,208,325.60
2027	5,212,366,069.79	5,432,676,595.22
2028	5,370,185,774.65	5,571,502,986.29
2029	4,497,964,721.29	–
Total	20,135,952,326.25	20,753,166,126.29

The Group's subsidiaries with deductible losses prepare the profit forecasts for the next 5 years based on the approved budget to assess the taxable income to be generated from the subsidiaries enjoying the deductible loss before the expiration of the deductible loss, and to recognize the deferred income tax assets for the deductible loss based on the assessment result.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

25. Other non-current assets

	2024	2023
Prepayment for projects, equipment and plants	64,516,966.29	151,635,570.02
Prepayment for lands	38,890,647.92	26,164,401.00
Prepayment for exploration rights	100,800,000.00	73,000,000.00
Other assets	103,099,797.21	209,593,631.34
Total	307,307,411.42	460,393,602.36

26. Assets with restricted titles or right to use

2024

	Balance of carrying amount	Carrying value	Restricted type	Restriction
Pledged assets				
Cash and bank balances	1,541,359,302.16	1,541,359,302.16	Guarantee	-
Statutory deposit reserve placement with central bank by finance company	1,167,233,816.33	1,167,233,816.33	Guarantee	-
Guarantee deposits for L/C	80,151,571.21	80,151,571.21	Guarantee	-
Quality/performance deposits	181,523,736.94	181,523,736.94	Guarantee	-
Guarantee deposits for acceptance bills	46,509,699.00	46,509,699.00	Guarantee	-
Mortgage loan guarantee of real estate enterprises	65,940,478.68	65,940,478.68	Guarantee	-
Inventories	10,559,928,907.42	10,559,928,907.42	Mortgage	-
Bills receivable	2,495,421.54	2,495,421.54	Pledge	-
Receivables financing	4,315,075.78	4,315,075.78	Pledge	-
Construction in progress	28,809,950.00	28,809,950.00	Mortgage	-
Fixed assets	93,131,651.28	93,131,651.28		-
Investment properties	10,070,355,804.84	10,070,355,804.84	Mortgage	-
Equity interests	5,118,176,371.21	5,118,176,371.21	Mortgage	-
Land use rights	1,728,500,000.00	1,728,500,000.00		-
Cash and bank balances whose titles are restricted for other reasons				
Restricted cash arising from pre-sales of properties	982,367,781.40	982,367,781.40	Project-specific	-
Others	897,500,516.94	897,500,516.94	Special purpose for mine reclamation, etc.	-
Total	31,026,940,782.57	31,026,940,782.57		

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS**
(continued)**26. Assets with restricted titles or right to use** (continued)

2023

	Balance of carrying amount	Carrying value	Restricted type	Restriction
Pledged assets				
Cash and bank balances	1,756,269,862.60	1,756,269,862.60	Guarantee	–
Statutory deposit reserve placement with central bank by finance company	1,171,481,701.79	1,171,481,701.79	Guarantee	Paid by BBMG Finance Co., Ltd. to the People's Bank of China as statutory deposit reserve in accordance with relevant regulations which cannot be used for daily operations
Guarantee deposits for L/C	22,966,531.37	22,966,531.37	Guarantee	–
Quality/performance deposits	383,206,668.46	383,206,668.46	Guarantee	–
Guarantee deposits for acceptance bills	90,198,345.25	90,198,345.25	Guarantee	–
Mortgage loan guarantee of real estate enterprises	88,416,615.73	88,416,615.73	Guarantee	–
Inventories	8,978,399,019.06	8,978,399,019.06	Mortgage	The Group obtained borrowings of RMB1,452,315,433.24 secured by inventories with a carrying amount of RMB8,978,399,019.06
Bills receivable	146,309,144.11	146,309,144.11	Discount	The Group obtained short-term borrowings of RMB146,309,144.11 by discounting bank acceptance bills with a carrying amount of RMB146,309,144.11
Financing receivables	13,000,000.00	13,000,000.00	Pledge	The bank acceptance bills pledged by the Group for the issuance of bank acceptance bills amounted to RMB13,000,000.00
Construction in progress	28,809,950.00	28,809,950.00	Mortgage	The Group obtained borrowings of RMB28,809,950.00 secured by construction in progress with a carrying amount of RMB28,809,950.00
Fixed asset	140,374,500.00	140,374,500.00	Mortgage	The Group obtained borrowings of RMB140,374,500.00 secured by fixed assets with a carrying amount of RMB140,374,500.00
Investment properties	11,399,650,788.97	11,399,650,788.97	Mortgage	The Group obtained borrowings of RMB4,016,000,000.00 secured by investment properties with a carrying amount of RMB11,399,650,788.97, or was restricted due to the settlement of construction funds of RMB107,391,475.79
Equity interests	5,118,176,371.21	5,118,176,371.21	Mortgage	The Group obtained borrowings of RMB1,250,000,000.00 secured by equity investment with a carrying amount of RMB5,118,176,371.21
Land use rights	2,006,320,000.00	2,006,320,000.00	Mortgage	The Group obtained borrowings of RMB581,230,000.00 secured by land use rights with a carrying amount of RMB2,006,320,000.00
Cash and bank balances whose titles are restricted for other reasons				
Restricted cash arising from pre-sales of properties	1,717,299,501.95	1,717,299,501.95	Project-specific	–
Others	79,438,900.87	79,438,900.87	Special purpose for mine reclamation, etc.	–
Total	31,384,048,038.77	31,384,048,038.77		

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

27. Short-term loans

(1) Classification of short-term loans

	2024	2023
Guaranteed loans (Note 1)	3,482,621,163.88	2,430,713,163.87
Credit loans	24,297,398,062.05	26,949,984,819.23
Pledged loans (Note 2)	144,955,282.68	146,309,144.11
Mortgaged loans (Note 2)	<u>410,187,940.53</u>	–
Total	<u>28,335,162,449.14</u>	<u>29,527,007,127.21</u>

Note 1: As at 31 December 2024 and 31 December 2023, the guaranteed loans were guaranteed by entities within the Group.

Note 2: As at 31 December 2024 and 31 December 2023, details and value of collaterals corresponding to pledged and mortgaged loans of the Group are set out in Note V. 26.

As at the balance sheet date, the Group had no outstanding loans that were due.

28. Bills payable

	2024	2023
Commercial acceptance bills	1,069,123,435.43	92,968,347.39
Bank acceptance bills	<u>1,986,042,605.54</u>	<u>3,742,321,802.87</u>
Total	<u>3,055,166,040.97</u>	<u>3,835,290,150.26</u>

As at 31 December 2024, there were no outstanding bills payable (31 December 2023: Nil).

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS***(continued)***29. Accounts payable****(1) Presentation of accounts payable**

	2024	2023
Within 1 year	16,755,683,271.11	12,579,807,756.03
1 to 2 years	2,136,863,970.92	3,611,932,583.23
2 to 3 years	952,615,068.78	1,395,902,637.03
Over 3 years	<u>1,098,991,667.76</u>	<u>936,730,945.65</u>
Total	<u>20,944,153,978.57</u>	<u>18,524,373,921.94</u>

(2) Significant accounts payable aging over one year or overdue:

	Closing balance	Reasons for non-repayment or not carried forward
Unit 18	1,232,447,312.89	Unsettled
Unit 19	321,160,601.75	Unsettled
Unit 20	266,906,861.38	Unsettled
Unit 21	504,466,969.53	Unsettled
Unit 22	<u>189,388,902.91</u>	Unsettled
Total	<u>2,514,370,648.46</u>	

30. Receipts in advance**(1) Presentation of receipts in advance**

	2024	2023
Advances on rents	<u>326,427,424.85</u>	<u>340,473,964.45</u>

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

31. Contract liabilities

(1) Presentation of contract liabilities

	2024	2023
Advances on pre-sale of properties	4,238,846,577.84	22,830,071,203.24
Advances on sale of goods	1,101,699,539.05	1,070,511,571.31
Advances on construction costs	145,496,199.21	104,820,670.51
Advances on property fees	227,274,155.91	255,465,405.04
Others	275,516,110.79	229,150,511.47
Total	5,988,832,582.80	24,490,019,361.57

(2) Significant contract liabilities aging over one year

	Closing balance	Reasons for not carried forward
Advances on pre-sale of properties	1,029,622,497.51	Not completed, etc.
Advances on sale of goods	94,939,825.46	Supply of goods has not yet concluded, etc.
Others	3,307,847.84	Services have not yet been provided, etc.
Total	1,127,870,170.81	

Details of advances on pre-sale of properties as at the balance sheet date are as follows:

Projects	Expected settlement date of the next batch	Proportion of the pre-sale (%)	31 December 2024	31 December 2023
Beijing – Wangjing Yunshang	December 2025	60	1,555,307,106.87	937,257,988.55
Suzhou – Zijinfeili Yazhu	June 2026	16	550,961,878.18	–
Beijing – Kanghuiyuan	December 2025	88	473,731,851.47	21,357,825.13
Beijing – Chaoyang New City	June 2025	99	319,939,142.85	354,437,098.86
Beijing – Shibalidian	May 2025	84	211,705,531.29	3,684,652,086.81
Beijing-Yudongxu	December 2026	7	168,054,384.78	–
Tangshan – Mining & Metallurgical	October 2025	22	140,211,830.00	–
Changzhou – Zhonglou Project	December 2025	63	87,525,599.04	730,586,022.42
Hefei – Shanhu Yunzhu	December 2025	80	77,014,176.99	1,615,408,006.03
Tianjin – Beichen Project	June 2025	40	75,434,919.13	512,986,620.41
Tangshan – Jincheng Mansions	June 2025	7	67,293,779.00	12,209,982.00
Beijing – Shangchengjun	June 2025	89	61,358,129.02	63,410,600.77
Beijing – Anningzhuang No. 13	December 2025	80	53,714,511.46	44,019,331.82
Others			396,593,737.76	14,853,745,640.44
Total			4,238,846,577.84	22,830,071,203.24

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS***(continued)***32. Wages payable****(1) Presentation of wages payable**

2024

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Short-term remunerations	246,431,726.11	6,493,841,414.97	6,501,986,813.74	238,286,327.34
Post-employment benefits (defined contribution plan)	15,799,077.59	865,795,297.61	859,594,378.21	21,999,996.99
Termination benefits	15,639,331.21	93,568,648.07	72,094,381.89	37,113,597.39
Total	<u>277,870,134.91</u>	<u>7,453,205,360.65</u>	<u>7,433,675,573.84</u>	<u>297,399,921.72</u>

2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Short-term remunerations	485,655,529.41	6,139,401,348.60	6,378,625,151.90	246,431,726.11
Post-employment benefits (defined contribution plan)	52,449,934.78	878,731,169.77	915,382,026.96	15,799,077.59
Termination benefits	3,117,907.16	57,139,589.07	44,618,165.02	15,639,331.21
Total	<u>541,223,371.35</u>	<u>7,075,272,107.44</u>	<u>7,338,625,343.88</u>	<u>277,870,134.91</u>

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

32. Wages payable

(2) Presentation of short-term remunerations 2024

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Salaries, bonuses, allowances and subsidies	149,213,562.78	4,892,449,808.08	4,893,980,310.31	147,683,060.55
Staff welfare	2,112,194.78	467,868,934.55	468,931,622.31	1,049,507.02
Social insurance	11,760,017.14	454,128,680.23	447,536,944.14	18,351,753.23
Including: Medical insurance and maternity insurance	10,837,380.08	411,455,091.07	404,647,678.94	17,644,792.21
Work injury insurance	922,637.06	42,673,589.16	42,889,265.20	706,961.02
Housing funds	24,124,281.32	497,639,708.63	500,685,314.33	21,078,675.62
Union fund and employee education fund	42,375,712.47	126,918,234.11	125,055,298.67	44,238,647.91
Non-monetary benefits	-	1,477,275.43	1,416,287.48	60,987.95
Other short-term remunerations	16,845,957.62	53,358,773.94	64,381,036.50	5,823,695.06
Total	246,431,726.11	6,493,841,414.97	6,501,986,813.74	238,286,327.34

2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Salaries, bonuses, allowances and subsidies	355,775,237.23	4,548,816,331.46	4,755,378,005.91	149,213,562.78
Staff welfare	647,220.40	452,984,813.02	451,519,838.64	2,112,194.78
Social insurance	21,180,238.03	457,839,893.95	467,260,114.84	11,760,017.14
Including: Medical insurance and maternity insurance	18,852,825.06	413,801,209.82	421,816,654.80	10,837,380.08
Work injury insurance	2,327,412.97	44,038,684.13	45,443,460.04	922,637.06
Housing funds	47,666,954.40	505,755,159.22	529,297,832.30	24,124,281.32
Union fund and employee education fund	46,994,891.86	126,058,907.74	130,678,087.13	42,375,712.47
Other short-term remunerations	13,390,987.49	47,946,243.21	44,491,273.08	16,845,957.62
Total	485,655,529.41	6,139,401,348.60	6,378,625,151.90	246,431,726.11

As at the balance sheet date, there was no wages payable in arrears.

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS***(continued)***32. Wages payable** *(continued)***(3) Presentation of defined contribution plan****2024**

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Basic pension	13,995,528.89	694,352,736.98	687,810,555.14	20,537,710.73
Unemployment insurance	702,092.00	25,255,963.47	25,217,808.63	740,246.84
Corporate annuity	1,101,456.70	146,186,597.15	146,566,014.44	722,039.41
Total	15,799,077.59	865,795,297.60	859,594,378.21	21,999,996.98

2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Basic pension	49,865,445.25	700,033,065.37	735,902,981.73	13,995,528.89
Unemployment insurance	1,907,093.18	25,852,465.91	27,057,467.09	702,092.00
Corporate annuity	677,396.35	152,845,638.49	152,421,578.14	1,101,456.70
Total	52,449,934.78	878,731,169.77	915,382,026.96	15,799,077.59

The Group participated in the pension insurance and unemployment insurance managed by local government, to which the Group made contributions based on 16% and 0.3%-0.8% (2023: 16% and 0.3%-1.0%) of the total wages in the previous year. In addition, the Group also participated in the corporate annuity scheme operated and managed by a competent external management organization, to pay as certain percentage of annuity for eligible enterprises and employees.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

33. Tax payable

	2024	2023
VAT	335,035,751.45	197,819,313.79
Corporate income tax	577,260,998.89	485,346,298.36
Individual income tax	15,941,790.54	16,317,331.53
City maintenance and construction tax	23,268,286.00	18,454,689.77
Resource tax	28,205,657.46	30,607,466.91
Land appreciation tax	76,315,948.53	92,932,975.74
Education surcharges	17,308,056.22	11,605,669.35
Urban and rural land use tax	17,704,856.77	19,756,447.04
Real estate tax	38,115,091.40	35,908,745.76
Deed tax and others	75,579,427.63	64,618,698.21
Total	1,204,735,864.89	973,367,636.46

34. Other payables

	2024	2023
Interests payable	–	45,330,789.42
Interests on borrowings	–	45,330,789.42
Including: Interests on long-term borrowings	–	24,245.11
Interests on short-term borrowings	–	45,306,544.31
Dividends payable	590,056,940.43	530,721,645.35
Including: Dividends for shareholders	79,001,138.71	78,115,175.93
Interest on perpetual bonds	511,055,801.72	452,606,469.42
Other payables	6,070,849,498.56	5,776,182,373.73
Amounts collected on behalf and temporary receipts	1,428,740,331.08	1,670,262,253.41
Deposits	1,443,835,407.78	1,483,534,517.20
Payables for land use right	66,012,026.65	67,566,979.24
Construction costs payable	210,422,549.82	117,624,106.82
Payables for relocation compensation	463,895,864.47	316,736,695.30
Freight and miscellaneous charges payable	67,107,364.86	70,319,557.91
Payables for acquisition of equity investments	733,964,439.37	247,141,915.31
Payables to related companies	680,491,832.07	816,504,384.77
Utilities	8,844,072.82	9,082,986.04
Public maintenance fund payable	45,555,852.93	43,919,439.37
Current portion of net liabilities of defined benefit plan (Note V. 41)	49,750,442.54	47,027,823.33
Others	872,229,314.17	886,461,715.03
Total	6,660,906,438.99	6,352,234,808.50

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS
*(continued)***34. Other payables** *(continued)*

Significant dividends payable aging more than one year are as follows:

	2024	2023	Reasons for non-payment
Unit 23	59,831,186.70	59,831,186.70	Shareholders have not yet requested payment

Significant other payables aging more than one year or overdue are as follows:

	Closing balance	Reasons for non-repayment or not carried forward
Unit 24	416,500,000.00	Unsettled
Unit 25	64,466,663.49	Unsettled
Unit 26	56,915,228.47	Unsettled
Unit 27	36,591,620.00	Unsettled
Unit 28	34,572,250.82	Unsettled
Total	609,045,762.78	

35. Non-current liabilities due within one year

	2024	2023
Long-term loans due within one year	9,831,272,623.91	8,312,977,230.35
Bonds payable due within one year	10,686,586,603.49	13,900,469,241.94
Long-term payables due within one year	161,419,475.33	59,898,246.12
Lease liabilities due within one year	144,028,915.34	127,829,313.55
Total	20,823,307,618.07	22,401,174,031.96

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

36. Other current liabilities

	2024	2023
Accrued expenses	2,646,935,263.96	3,523,729,434.19
Including: Accrued development costs	1,458,718,853.24	1,783,581,908.14
Provision for LAT	902,553,788.74	1,500,559,412.66
Accrued costs for treatment of solid wastes	9,529,140.33	3,968,844.33
Other accrued expenses	276,133,481.65	235,619,269.06
Tax to be written off	469,466,043.52	1,340,880,087.86
Total	3,116,401,307.48	4,864,609,522.05

37. Long-term loans

	2024	2023
Guaranteed loans (Note 1)	7,633,197,111.36	5,784,009,894.74
Credit loans	47,639,505,206.84	32,673,200,637.85
Mortgaged loans (Note 2)	4,707,628,026.72	6,224,194,588.51
Pledged loans (Note 2)	750,000,000.00	1,373,418,848.61
	60,730,330,344.92	46,054,823,969.71
Less: Long-term loans due within one year	9,831,272,623.91	8,312,977,230.35
Total	50,899,057,721.01	37,741,846,739.36

Note 1: As at 31 December 2024 and 31 December 2023, the guaranteed loans of the Group were guaranteed by entities within the Group.

Note 2: As at 31 December 2024 and 31 December 2023, details and value of collaterals corresponding to mortgaged and pledged loans of the Group are set out in Note V. 26.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS
*(continued)***37. Long-term loans** *(continued)*

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

	2024	2023
Within 1 year	9,831,272,623.91	8,312,977,230.35
1 to 2 years	14,216,288,829.65	11,324,838,500.00
2 to 5 years	28,452,026,671.34	21,035,479,691.52
Over 5 years	<u>8,230,742,220.02</u>	<u>5,381,528,547.84</u>
Total	<u>60,730,330,344.92</u>	<u>46,054,823,969.71</u>

As at 31 December 2024, the annual interest rates of the above loans were 1.20%-5.65% (31 December 2023: 1.20%-5.15%).

38. Short-term financing bonds payable and bonds payable

	2024	2023
Short-term financing bonds payable	<u>6,026,458,630.14</u>	<u>6,018,292,602.73</u>
Corporate bonds	17,974,672,661.83	16,344,899,403.93
Medium-term notes	<u>7,625,346,587.97</u>	<u>8,655,330,297.12</u>
Closing balance	25,600,019,249.80	25,000,229,701.05
Less: Bonds payable due within one year	<u>10,686,586,603.49</u>	<u>13,900,469,241.94</u>
Non-current portion	<u>14,913,432,646.31</u>	<u>11,099,760,459.11</u>

Analysis of maturity of bonds payable:

	2024	2023
Within 1 year (inclusive of 1 year)	10,686,586,603.49	13,900,469,241.94
1 to 2 years (inclusive of 2 years)	4,423,989,151.49	4,956,128,551.41
2 to 5 years (inclusive of 5 years)	5,991,837,849.34	6,143,631,907.70
Over 5 years	<u>4,497,605,645.48</u>	<u>—</u>
Total	<u>25,600,019,249.80</u>	<u>25,000,229,701.05</u>

Notes to Financial Statements (continued)

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

38. Short-term financing bonds payable and bonds payable (continued)

As at 31 December 2024, the balance of bonds payable is as follows:

Bonds payable	Par value	Coupon rate	Issuance date	Term	Issuance amount	Opening balance	Issuance amount during the year	Interest charged at par value	Amortisation of discount/premium	Repayment during the year	Reclassified to due within one year	Closing balance	Is there a breach of contract
Non-current portion:													
1) RMB500 million corporate bonds	RMB500 million	2.95%	19 May 2017	5+2 years	1,000,000,000	367,198.68	-	9,915.28	652,386.04	(1,029,500.00)	-	-	No
2) RMB1.5 billion corporate bonds	RMB1.5 billion	2.80%	12 July 2018	5+2 years	85,900,000,000	86,552,138.38	-	1,509,486.57	898,317.36	(2,405,200.00)	(86,554,742.31)	-	No
2) RMB1.5 billion corporate bonds	RMB1.5 billion	4.07%	9 January 2019	5+2 years	1,500,000,000,000	1,558,011,237.80	-	1,338,082.19	1,700,680.01	(1,561,050,000.00)	-	-	No
3) RMB2.5 billion medium-term notes	RMB2.5 billion	4.35%	7 March 2019	5 years	2,500,000,000,000	2,387,893,835.62	-	20,896,164.38	-	(2,608,750,000.00)	-	-	No
4) RMB2.0 billion medium-term notes	RMB2.0 billion	3.94%	7 August 2019	5 years	2,000,000,000,000	2,031,088,219.18	-	47,711,780.82	-	(2,078,800,000.00)	-	-	No
5) RMB1.5 billion corporate bonds	RMB1.5 billion	2.94%	28 October 2019	5 years	1,500,000,000,000	1,427,487,384.23	-	34,355,924.43	(53,527.50)	(1,461,789,881.16)	-	-	No
6) RMB2.0 billion medium-term notes	RMB2.0 billion	4.13%	12 November 2019	5 years	2,000,000,000,000	2,010,636,164.38	-	71,963,835.62	-	(2,082,600,000.00)	-	-	No
7) RMB4.5 billion corporate bonds	RMB4.5 billion	3.99%	10 January 2020	5+2 years	4,500,000,000,000	4,668,771,344.19	-	180,041,917.80	1,331,844.30	(179,550,000.00)	(4,670,595,106.29)	-	No
7) RMB2.0 billion corporate bonds	RMB2.0 billion	3.00%	15 June 2020	3+2 years	2,000,000,000,000	2,033,555,225.03	-	57,383,013.70	1,055,354.05	(60,000,000.00)	(2,031,993,892.78)	-	No
7) RMB1.5 billion corporate bonds	RMB1.5 billion	2.90%	13 August 2020	3+2 years	879,000,000,000	887,050,068.61	-	22,996,084.93	2,722,801.61	(25,491,000.00)	(887,277,955.15)	-	No
8) RMB2.82 billion corporate bonds	RMB2.82 billion	1.5%	5 November 2020	6 years	2,820,000,000,000	1,653,620,951.00	-	22,575,547.06	49,674,573.26	(21,321,230.80)	(4,895,864.03)	1,699,633,876.49	No
9) RMB1.0 billion corporate bonds	RMB1.0 billion	2.49%	11 June 2021	3+2 years	1,000,000,000,000	1,019,707,365.72	-	27,170,277.76	285,863.51	(251,700,000.00)	(10,859,166.55)	784,604,340.44	No
10) RMB1.0 billion corporate bonds	RMB1.0 billion	2.24%	13 October 2021	3+2 years	1,000,000,000,000	1,006,992,274.22	-	32,257,225.00	293,898.79	(480,700,000.00)	(4,331,312.10)	554,512,885.91	No
11) RMB2.0 billion corporate bonds	RMB2.0 billion	2.50%	22 November 2021	3+2 years	2,000,000,000,000	2,002,784,016.07	-	60,254,794.52	1,381,977.79	(675,400,000.00)	(3,802,739.73)	1,385,218,048.65	No

Notes to Financial Statements (continued)

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)
38. Short-term financing bonds payable and bonds payable (continued)

As at 31 December 2024, the balance of bonds payable is as follows: (continued)

Bonds payable	Par value	Coupon rate	Issuance date	Term	Issuance amount	Opening balance	Issuance amount during the year	Interest charged at par value	Amortisation of discount/premium during the year	Repayment during the year	Reclassified to due within one year	Closing balance	Is there a breach of contract
12) RMB1.0 billion medium-term notes	RMB1.0 billion	2.93%	31 May 2022	3 years	1,000,000,000.00	1,016,463,789.18	-	29,300,000.04	508,554.00	(29,300,000.00)	(1,016,992,343.18)	-	No
12) RMB1.0 billion medium-term notes	RMB1.0 billion	2.84%	26 August 2022	3 years	1,000,000,000.00	1,009,228,288.76	-	28,400,000.04	504,312.19	(28,400,000.00)	(1,009,732,600.95)	-	No
13) RMB1.5 billion medium-term notes	RMB1.5 billion	2.87%	4 February 2024	5+2 years	1,500,000,000.00	-	1,500,000,000.00	38,921,917.81	-	-	(38,921,917.81)	1,500,000,000.00	No
13) RMB2.0 billion medium-term notes	RMB2.0 billion	2.84%	1 March 2024	5+2 years	2,000,000,000.00	-	2,000,000,000.00	47,151,780.82	-	-	(47,151,780.82)	2,000,000,000.00	No
14) RMB1.0 billion corporate bonds	RMB1.0 billion	2.44%	22 April 2024	3+2 years	1,000,000,000.00	-	998,000,000.00	16,808,888.86	375,414.40	-	(16,808,888.86)	998,275,414.40	No
15) RMB800 million corporate bonds	RMB800 million	2.53%	26 April 2024	1+1+1 years	800,000,000.00	-	800,000,000.00	13,106,200.07	-	-	(813,106,200.07)	-	No
16) RMB1.0 billion corporate bonds	RMB1.0 billion	2.35%	8 July 2024	5 years	1,000,000,000.00	-	997,500,000.00	11,395,890.41	227,677.43	-	(11,395,890.41)	997,727,677.43	No
16) RMB1.0 billion corporate bonds	RMB1.0 billion	2.67%	8 July 2024	10 years	1,000,000,000.00	-	997,500,000.00	12,947,671.23	105,645.48	-	(12,947,671.23)	997,605,645.48	No
17) RMB1.0 billion corporate bonds	RMB1.0 billion	2.15%	20 September 2024	5 years	1,000,000,000.00	-	998,000,000.00	5,852,777.79	217,424.82	-	(5,852,777.79)	998,217,424.82	No
18) RMB2.0 billion medium-term notes	RMB2.0 billion	2.29%	20 September 2024	5 years	2,000,000,000.00	-	2,000,000,000.00	12,547,945.21	-	-	(12,547,945.21)	2,000,000,000.00	No
19) RMB1.0 billion corporate bonds	RMB1.0 billion	1.99%	17 December 2024	5+3 years	1,000,000,000.00	-	997,500,000.00	817,808.22	17,332.69	-	(817,808.22)	997,517,332.69	No
Total					37,085,900,000.00	25,000,229,701.05	11,288,500,000.00	797,675,630.56	61,900,530.23	(11,548,286,611.96)	(10,686,586,603.49)	14,913,532,646.31	

Notes to Financial Statements (continued)

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

38. Short-term financing bonds payable and bonds payable (continued)

As at 31 December 2024, the balance of bonds payable is as follows: (continued)

Bonds payable	Par value	Coupon rate	Issuance date	Term	Issuance amount	Opening balance	Issuance amount during the year	Interest charged at par value	Amortisation of discount/premium	Repayment during the year	Reclassified to due within one year	Closing balance	Is there a breach of contract
Short-term financing bond:													
RMB2.0 billion ultrasshort-term financing bonds	RMB2.0 billion	2.54%	23 October 2023	240 days	2,000,000,000.00	2,009,603,287.66	-	23,708,187.75	-	(2,009,603,287.66)	-	-	No
RMB2.0 billion ultrasshort-term financing bonds	RMB2.0 billion	2.49%	17 November 2023	179 days	2,000,000,000.00	2,005,730,410.96	-	18,625,326.74	-	(2,005,730,410.96)	-	-	No
RMB2.0 billion ultrasshort-term financing bonds	RMB2.0 billion	2.70%	11 December 2023	100 days	2,000,000,000.00	2,002,958,904.11	-	11,795,194.25	-	(2,002,958,904.11)	-	-	No
RMB2.0 billion ultrasshort-term financing bonds	RMB2.0 billion	2.06%	22 August 2024	210 days	2,000,000,000.00	-	2,000,000,000.00	14,786,849.32	-	-	-	2,014,786,849.32	No
RMB1.0 billion ultrasshort-term financing bonds	RMB1.0 billion	2.10%	12 September 2024	245 days	1,000,000,000.00	-	1,000,000,000.00	6,328,767.12	-	-	-	1,006,328,767.12	No
RMB2.0 billion ultrasshort-term financing bonds	RMB2.0 billion	2.04%	20 November 2024	247 days	2,000,000,000.00	-	2,000,000,000.00	4,694,794.52	-	-	-	2,004,694,794.52	No
RMB1.0 billion ultrasshort-term financing bonds	RMB1.0 billion	1.82%	19 December 2024	267 days	1,000,000,000.00	-	1,000,000,000.00	648,219.18	-	-	-	1,000,648,219.18	No
Total					12,000,000,000.00	6,018,292,602.73	6,000,000,000.00	80,587,338.88	-	(6,018,292,602.73)	-	6,026,458,630.14	

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS** (continued)
38. Short-term financing bonds payable and bonds payable (continued)

As at 31 December 2023, the balance of bonds payable is as follows:

Bonds payable	Par value	Coupon rate	Issuance date	Term	Issuance amount	Opening balance	Issuance amount during the year	Interest charged at par value	Amortisation of discount/premium	Repayment during the year	Reclassified to due within one year	Closing balance	Is there a breach of contract
Non-current portion:													
RMB1.8 billion corporate bonds	RMB1.8 billion	3.50%	14 March 2016	5+2 years	1,799,994,000.00	1,798,995,918.16	-	12,949,956.83	998,081.84	(1,799,994,000.00)	-	-	No
1) RMB500 million corporate bonds	RMB500 million	2.95%	19 May 2017	5+2 years	1,000,000.00	333,104.54	-	29,500.00	634.96	-	(367,198.68)	-	No
RMB2.0 billion medium-term notes	RMB2.0 billion	5.85%	18 January 2018	5 years	2,000,000,000.00	2,000,000,000.00	-	7,150,000.00	-	(2,000,000,000.00)	-	-	No
RMB1.5 billion corporate bonds	RMB1.5 billion	3.35%	12 July 2018	3+2 years	1,499,956,000.00	1,489,269,977.41	-	25,123,928.00	666,072.59	(1,499,936,000.00)	-	-	No
2) RMB1.5 billion corporate bonds	RMB1.5 billion	2.80%	12 July 2018	5+2 years	1,500,000,000.00	1,497,981,079.41	-	42,004,333.33	635,346.64	(1,414,100,000.00)	(2,035,712.33)	84,516,426.05	No
RMB2.5 billion medium-term notes	RMB2.5 billion	4.70%	9 August 2018	5 years	2,500,000,000.00	2,500,000,000.00	-	73,111,111.11	-	(2,500,000,000.00)	-	-	No
2) RMB1.5 billion corporate bonds	RMB1.5 billion	4.07%	9 January 2019	5+2 years	1,500,000,000.00	1,497,521,677.67	-	61,050,000.00	777,642.33	-	(1,558,011,237.80)	-	No
3) RMB2.5 billion medium-term notes	RMB2.5 billion	4.35%	7 March 2019	5 years	2,500,000,000.00	2,500,000,000.00	-	108,750,000.00	-	-	(2,587,899,835.62)	-	No
4) RMB2.0 billion medium-term notes	RMB2.0 billion	3.94%	7 August 2019	5 years	2,000,000,000.00	2,000,000,000.00	-	78,800,000.00	-	-	(2,031,088,219.18)	-	No
5) RMB1.5 billion corporate bonds	RMB1.5 billion	2.94%	28 October 2019	5 years	1,500,000,000.00	1,420,199,739.20	-	41,748,000.00	(104,530.54)	-	(1,427,487,284.23)	-	No
6) RMB2.0 billion medium-term notes	RMB2.0 billion	4.13%	12 November 2019	5 years	2,000,000,000.00	2,000,000,000.00	-	82,600,000.00	-	-	(2,010,636,164.38)	-	No
7) RMB4.5 billion corporate bonds	RMB4.5 billion	3.99%	10 January 2020	5+2 years	4,500,000,000.00	4,491,408,100.31	-	179,550,000.00	2,240,504.15	-	(175,122,739.73)	4,493,648,604.46	No

Notes to Financial Statements *(continued)*

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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

38. Short-term financing bonds payable and bonds payable *(continued)*

As at 31 December 2023, the balance of bonds payable is as follows: *(continued)*

Bonds payable	Par value	Coupon rate	Issuance date	Term	Issuance amount	Opening balance	Issuance amount during the year	Interest charged at par value	Amortisation of discount/premium	Repayment during the year	Reclassified to due within one year	Closing balance	Is there a breach of contract
7) RMB2.0 billion corporate bonds	RMB2.0 billion	3.00%	15 June 2020	3+2 years	2,000,000,000.00	1,996,876,044.16	1,008,500,000.00	60,722,260.00	1,348,165.80	(1,008,500,000.00)	(35,329,315.07)	1,998,226,209.96	No
7) RMB1.5 billion corporate bonds	RMB1.5 billion	2.90%	14 August 2020	3+2 years	1,500,000,000.00	1,497,135,950.33	240,000,000.00	43,400,600.00	(1,358,166.65)	(861,000,000.00)	(12,272,284.93)	874,777,883.68	No
8) RMB2.82 billion corporate bonds	RMB2.82 billion	1.20%	5 November 2020	6 years	2,820,000,000.00	1,595,583,423.46	-	15,612,947.32	54,412,979.77	(13,100.00)	(3,637,547.77)	1,649,983,303.23	No
9) RMB1.0 billion corporate bonds	RMB1.0 billion	3.67%	11 June 2021	3+2 years	1,000,000,000.00	999,023,966.48	-	36,699,999.96	294,510.45	-	(1,019,707,365.72)	-	No
10) RMB1.0 billion corporate bonds	RMB1.0 billion	3.57%	13 October 2021	3+2 years	1,000,000,000.00	998,927,554.72	-	35,700,000.00	291,432.40	-	(1,006,992,374.22)	-	No
11) RMB2.0 billion corporate bonds	RMB2.0 billion	3.17%	22 November 2021	3+2 years	2,000,000,000.00	2,001,476,839.62	-	63,400,000.00	(5,640,768.76)	-	(2,002,784,016.07)	-	No
12) RMB1.0 billion medium-term notes	RMB1.0 billion	2.93%	31 May 2022	3 years	1,000,000,000.00	998,819,535.82	-	29,300,000.04	493,823.19	-	(17,170,430.17)	999,313,359.01	No
12) RMB1.0 billion medium-term notes	RMB1.0 billion	2.84%	26 August 2022	3 years	1,000,000,000.00	998,669,922.72	-	28,400,000.04	624,850.00	-	(9,933,516.04)	999,294,772.72	No
Total					35,620,950,000.00	34,292,224,784.01	1,246,500,000.00	1,026,102,636.63	55,680,578.17	(11,083,545,100.00)	(13,900,469,241.94)	11,099,760,459.11	

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS** (continued)**38. Short-term financing bonds payable and bonds payable** (continued)

As at 31 December 2023, the balance of bonds payable is as follows: (continued)

Bonds payable	Par value	Coupon rate	Issuance date	Term	Issuance amount	Opening balance	Issuance amount during the year	Interest charged at par value	Amortisation of discount/premium	Repayment during the year	Reclassified to due within one year	Closing balance	Is there a breach of contract
Short-term financing bond:													
RMB3.0 billion ultra-short financing bonds	RMB3.0 billion	2.08%	23 May 2022	268 days	3,000,000,000.00	3,000,000,000.00	-	7,335,986.30	-	(3,000,000,000.00)	-	-	No
RMB2.0 billion ultra-short financing bonds	RMB2.0 billion	1.77%	25 October 2022	149 days	2,000,000,000.00	2,000,000,000.00	-	7,960,958.89	-	(2,000,000,000.00)	-	-	No
RMB3.0 billion ultra-short financing bonds	RMB3.0 billion	2.38%	7 February 2023	260 days	3,000,000,000.00	-	3,000,000,000.00	51,055,890.41	-	(3,000,000,000.00)	-	-	No
RMB2.0 billion ultra-short financing bonds	RMB2.0 billion	2.35%	22 March 2023	245 days	2,000,000,000.00	-	2,000,000,000.00	31,676,712.33	-	(2,000,000,000.00)	-	-	No
RMB2.0 billion ultra-short financing bonds	RMB2.0 billion	2.43%	11 April 2023	247 days	2,000,000,000.00	-	2,000,000,000.00	33,021,369.86	-	(2,000,000,000.00)	-	-	No
RMB2.0 billion ultra-short financing bonds	RMB2.0 billion	2.54%	23 October 2023	240 days	2,000,000,000.00	-	2,000,000,000.00	9,603,287.67	-	-	-	2,009,603,287.66	No
RMB2.0 billion ultra-short financing bonds	RMB2.0 billion	2.49%	17 November 2023	179 days	2,000,000,000.00	-	2,000,000,000.00	5,730,410.96	-	-	-	2,005,730,410.96	No
RMB2.0 billion ultra-short financing bonds	RMB2.0 billion	2.70%	11 December 2023	100 days	2,000,000,000.00	-	2,000,000,000.00	2,958,904.11	-	-	-	2,002,958,904.11	No
Total					18,000,000,000.00	5,000,000,000.00	13,000,000,000.00	149,344,520.53	-	(12,000,000,000.00)	-	6,018,292,602.73	

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

38. Short-term financing bonds payable and bonds payable *(continued)*

As at 31 December 2024, the balance of bonds payable is as follows:

- 1) Pursuant to the document [2017] No. 46 issued by the China Securities Regulatory Commission, the Company issued its first tranche of corporate bonds (type two) of BBMG Corporation for 2017 to qualified investors by way of public issuance on 19 May 2017 (hereinafter referred to as "17 BBMG 02"), totalling RMB500,000,000.00 with a term of 7 years (with the issuer's option to raise the coupon rate at the end of the fifth year and the investors' entitlement to sell back the bonds) and a coupon rate of 5.38%. On 31 March 2022 (at the end of the fifth year of the duration), the Company published an announcement, in which the Company decided to adjust the coupon rate of "17 BBMG 02" for the next two years, i.e. the coupon rate of "17 BBMG 02" for the period from 19 May 2022 to 18 May 2024 shall be 2.95%. The total sale back amount as announced on 25 March 2022 was RMB499,000,000.00 (exclusive of interests). 17 BBMG 02 was due for repayment on 20 May 2024.
- 2) Pursuant to the document [2018] No. 884 issued by the China Securities Regulatory Commission, the Company issued the first tranche of corporate bonds (type two) of BBMG Corporation for 2018 to qualified investors by way of public issuance on 12 July 2018 (hereinafter referred to as "18 BBMG 02"), totalling RMB1,500,000,000.00 with a term of 7 years (with the issuer's option to adjust the coupon rate at the end of the fifth year and the investors' entitlement to sell back the bonds) and a coupon rate of 5.00%. On 26 May 2023 (at the end of the fifth year of the duration), the Company published an announcement, in which the Company decided to adjust the coupon rate of "18 BBMG 02" for the next two years, i.e. the coupon rate of the bond for the period from 12 July 2023 to 11 July 2025 shall be 2.80%. The total sale back amount as announced on 6 June 2023 (at the end of the fifth year of the duration) was RMB1,414,100,000.00 and the remaining part not resold with the amount of RMB1,414,100,000.00 was cancelled. The Company issued the first tranche of corporate bonds (type two) of BBMG Corporation for 2019 to qualified investors by way of public issuance on 9 January 2019 (hereinafter referred to as "19 BBMG 02"), totalling RMB1,500,000,000.00 with a term of 7 years (with the issuer's option to adjust the coupon rate at the end of the fifth year and the investors' entitlement to sell back the bonds) and a coupon rate of 4.07%. 19 BBMG 02 was delisted and repaid in advance on 9 January 2024.
- 3) Pursuant to the Notice of Acceptance of Registration (Zhong Shi Xie Zhu [2017] No. MTN512) (《接受註冊通知書》(中市協註[2017]MTN512號)) issued by the National Association of Financial Market Institutional Investors, the Company issued the first tranche of medium-term notes of BBMG Corporation for 2019 on 7 March 2019 (hereinafter referred to as "19 BBMG MTN001"), totalling RMB2,500,000,000.00 with a term of 5 years and a coupon rate of 4.35%. 19 BBMG MTN001 was due for repayment on 11 March 2024.
- 4) Pursuant to the Notice of Acceptance of Registration (Zhong Shi Xie Zhu [2019] No. DFI6) (《接受註冊通知書》(中市協註[2019]DFI6號)) issued by the National Association of Financial Market Institutional Investors, the Company issued the second tranche of medium-term notes of BBMG Corporation for 2019 on 7 August 2019 (hereinafter referred to as "19 BBMG MTN002"), totalling RMB2,000,000,000.00 with a term of 5 years and a coupon rate of 3.94%. 19 BBMG MTN002 was due for payment on 15 August 2024.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

38. Short-term financing bonds payable and bonds payable *(continued)*

As at 31 December 2024, the balance of bonds payable is as follows: *(continued)*

- 5) Pursuant to the No Objection Letter Regarding the Compliance with Transfer Conditions of the Shenzhen Stock Exchange in the Non-Public Issuance of Corporate Bonds for 2018 of Tangshan Jidong Cement Co., Ltd. (Shen Zheng Han [2018] No. 810) (《關於唐山冀東水泥股份有限公司2018年非公開發行公司債券符合深交所轉讓條件的無異議函》(深證函[2018]810號)) issued by the Shenzhen Stock Exchange, Jidong Cement issued the second tranche of corporate bonds of Tangshan Jidong Cement Co., Ltd. for 2019 by way of non-public issuance on 28 October 2019 (hereinafter referred to as "19 Jidong 02"), totalling RMB1,500,000,000.00 with a term of 5 years (with the issuer's option to adjust the coupon rate at the end of the third year and the investors' entitlement to sell back the bonds) and a coupon rate of 4.20%. On 28 October 2022, the coupon rate for the next two years of the duration was adjusted to 2.94% and the sale-back bonds amounted to RMB699,000,000.00 (exclusive of interests). The company announced to resell part of the sale-back bonds with an amount of RMB619,000,000.00 (exclusive of interests) and the bonds not resold with the remaining amount of RMB80,000,000.00 were cancelled.
- 6) Pursuant to the Notice of Acceptance of Registration (Zhong Shi Xie Zhu [2019] No. DF16) (《接受註冊通知書》(中市協註[2019]DF16號)) issued by the National Association of Financial Market Institutional Investors, the Company issued the third tranche of medium-term notes of BBMG Corporation for 2019 on 12 November 2019 (hereinafter referred to as "19 BBMG MTN003"), totalling RMB2,000,000,000.00 with a term of 5 years and a coupon rate of 4.13%. 19 BBMG MTN003 was due for payment on 20 November 2024.
- 7) Pursuant to the Replies (Zheng Jian Xu Ke [2019] No. 2255) issued by the China Securities Regulatory Commission (中國證券監督管理委員會出具的批覆(證監許可[2019]2255號)), the Company issued the first tranche of corporate bonds (type two) of BBMG Corporation for 2020 to qualified investors by way of public issuance on 10 January 2020 (hereinafter referred to as "20 BBMG 02"), totalling RMB4,500,000,000.00 with a term of 7 years (with the issuer's option to adjust the coupon rate at the end of the fifth year and the investors' entitlement to sell back the bonds) and a coupon rate of 3.99%. The Company issued the second tranche of corporate bonds of BBMG Corporation for 2020 to qualified investors by way of public issuance on 15 June 2020 (hereinafter referred to as "20 BBMG 03"), totalling RMB2,000,000,000.00 with a term of 5 years (with the issuer's option to adjust the coupon rate at the end of the third year and the investors' entitlement to sell back the bonds) and a coupon rate of 3.24%. The Company issued the third tranche of corporate bonds of BBMG Corporation for 2020 to qualified investors by way of public issuance on 14 August 2020 (hereinafter referred to as "20 BBMG 04"), totalling RMB1,500,000,000.00 with a term of 5 years (with the issuer's option to adjust the coupon rate at the end of the third year and the investors' entitlement to sell back the bonds) and a coupon rate of 3.64%. The total sale back amount as announced on 11 September 2023 (at the end of the third year of the duration) was RMB861,000,000.00, and the remaining part not resold with the amount of RMB521,000,000.00 was cancelled. The Company published an announcement on adjustment of the coupon rate on 30 June 2023, and the adjusted coupon rate was 2.90%.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

38. Short-term financing bonds payable and bonds payable *(continued)*

As at 31 December 2024, the balance of bonds payable is as follows: *(continued)*

- 8) Pursuant to the Replies (Zheng Jian Xu Ke [2020] No. 2416) issued by the China Securities Regulatory Commission (中國證券監督管理委員會出具的批覆(證監許可[2020]2416號)), Tangshan Jidong Cement Co., Ltd. issued the convertible corporate bonds of Tangshan Jidong Cement Co., Ltd. on 5 November 2020 (hereinafter referred to as "Jidong Convertible Bonds"), totalling RMB2,820,000,000.00 with a term of 6 years, and the coupon rate was set at 0.20%, 0.40%, 0.80%, 1.20%, 1.50% and 2.00% for the first year, second year, third year, fourth year, fifth year and sixth year, respectively, with the redemption price at maturity of RMB106.00 (including the last payment of interests).
- 9) Pursuant to the document (Zheng Jian Xu Ke [2020] No. 2804) (《證監許可[2020]2804號》文件) issued by the China Securities Regulatory Commission, Jidong Cement issued the first tranche of corporate bonds of Tangshan Jidong Cement Co., Ltd. to professional investors by way of public issuance on 11 June 2021 (hereinafter referred to as "21 Jidong 01"), totalling RMB1,000,000,000.00 with a term of 5 years (with the issuer's option to adjust the coupon rate at the end of the third year and the investors' entitlement to sell back the bonds) and a coupon rate of 3.67%. The total sale back amount as announced on 6 June 2024 was RMB2,150,000,000.00 (exclusive of interests), and the bonds sold back shall not be resold. The company published an announcement on adjustment of the coupon rate on 8 May 2024, and the adjusted coupon rate was 2.49%.
- 10) Jidong Cement issued the second tranche of corporate bonds of Tangshan Jidong Cement Co., Ltd. to professional investors by way of public issuance on 13 October 2021 (hereinafter referred to as "21 Jidong 02"), totalling RMB1,000,000,000.00 with a term of 5 years (with the issuer's option to adjust the coupon rate at the end of the third year and the investors' entitlement to sell back the bonds) and a coupon rate of 3.57%. The company published an announcement on adjustment of the coupon rate on 4 September 2024, and the adjusted coupon rate was 2.24%.
- 11) Pursuant to the document (Zheng Jian Xu Ke [2020] No. 2749) (《證監許可[2020]2749號》文件) issued by the China Securities Regulatory Commission, the Company issued the first tranche of corporate bonds of BBMG Corporation for 2021 to professional investors by way of public issuance on 22 November 2021 (hereinafter referred to as "21 BBMG 01"), totalling RMB2,000,000,000.00 with a term of 5 years (with the issuer's option to adjust the coupon rate at the end of the third year and the investors' entitlement to sell back the bonds) and a coupon rate of 3.17%. The total sale back amount announced on 11 December 2024 (at the end of the third year of the duration) was RMB612,000,000.00, and the remaining part not resold with the amount of RMB612,000,000.00 was cancelled. The Company decided to adjust the coupon rate of "21 BBMG 01" for the next two years, i.e. the coupon rate of the bond for the period from 22 November 2024 to 21 November 2026 shall be 2.50%.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

38. Short-term financing bonds payable and bonds payable *(continued)*

As at 31 December 2024, the balance of bonds payable is as follows: *(continued)*

- 12) As approved by the document (Zhong Shi Xie Zhu [2021] No. MTN1) (中市協註[2021]MTN1號文件) from the National Association of Financial Market Institutional Investors, the Company publicly issued the first tranche of medium-term notes of Tangshan Jidong Cement Co., Ltd. for 2022 in the national inter-bank bond market on 31 May 2022 (hereinafter referred to as "22 Jidong Cement MTN001"), totalling RMB1,000,000,000.00 with a term of 3 years and a coupon rate of 2.93%. The Company publicly issued the second tranche of medium-term notes of Tangshan Jidong Cement Co., Ltd. for 2022 in the national inter-bank bond market on 26 August 2022 (hereinafter referred to as "22 Jidong Cement MTN002"), totalling RMB1,000,000,000.00 with a term of 3 years and a coupon rate of 2.84%. Interest was accrued from 26 August 2022 and the maturity date will be 26 August 2025. The interest shall be paid on an annual basis and the principal amount will be repaid in a lump sum at maturity. The last instalment of interest shall be paid together with the principal amount.
- 13) Pursuant to the Notice of Acceptance of Registration (Zhong Shi Xie Zhu [2023] No. DF16) (《接受註冊通知書》(中市協註[2023]DF16號)) issued by the National Association of Financial Market Institutional Investors, the Company issued the first tranche of medium-term notes of BBMG Corporation for 2024 on 6 February 2024 (hereinafter referred to as "24 BBMG MTN001"), totalling RMB1,500,000,000.00, with a term of 7 years, a coupon rate of 2.87% and the issuer's option to adjust the coupon rate at the end of the fifth interest accrual year and the investors' entitlement to sell back the bonds. The Company issued the second tranche of medium-term notes of BBMG Corporation for 2024 on 1 March 2024 (hereinafter referred to as "24 BBMG MTN002"), totalling RMB2,000,000,000.00, with a term of 7 years, a coupon rate of 2.84% and the issuer's option to adjust the coupon rate at the end of the fifth interest accrual year and the investors' entitlement to sell back the bonds.
- 14) Pursuant to the Replies (Zheng Jian Xu Ke [2023] No. 810) issued by the China Securities Regulatory Commission (中國證券監督管理委員會出具的批覆(證監許可[2023]810號)), Jidong Cement issued the first tranche of corporate bonds of Tangshan Jidong Cement Co., Ltd. for 2024 to professional investors by way of public issuance on 22 April 2024 (hereinafter referred to as "24 Jidong 01"), totalling RMB1,000,000,000.00 with a term of 5 years (with the issuer's option to adjust the coupon rate at the end of the third year and the investors' entitlement to sell back the bonds) and a coupon rate of 2.44%.
- 15) Pursuant to the No Objection Letter Regarding the Listing and Transfer of the Non-Public Issuance of Corporate Bonds of Tianjin Building Materials Group (Holding) Co., Ltd. (Shang Zheng Han [2023] No. 3167) (《關於對天津市建築材料集團(控股)有限公司非公開發行公司債券掛牌轉讓無異議的函》(上證函[2023]3167號)) issued by the Shanghai Stock Exchange, Tianjin Building Materials issued the first tranche of corporate bonds of Tianjin Building Materials Group (Holding) Co., Ltd. to investors by way of non-public issuance on 26 April 2024 (hereinafter referred to as "24 Jincai 01"), totalling RMB800,000,000.00 with a term of 3 years and a coupon rate of 2.53%.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

38. Short-term financing bonds payable and bonds payable *(continued)*

As at 31 December 2024, the balance of bonds payable is as follows: *(continued)*

- 16) Pursuant to the document (Zheng Jian Xu Ke [2024] No. 412) (《證監許可[2024]412號》文件) issued by the China Securities Regulatory Commission, the Company issued the first tranche of science and technology innovation corporate bonds (type one) of BBMG Corporation for 2024 to professional investors by way of public issuance on 8 July 2024 (hereinafter referred to as "24 BBMG K1"), totalling RMB1,000,000,000.00 with a term of 5 years and a coupon rate of 2.35%. The Company issued the first tranche of science and technology innovation corporate bonds (type two) of BBMG Corporation for 2024 to professional investors by way of public issuance on 8 July 2024 (hereinafter referred to as "24 BBMG K2"), totalling RMB1,000,000,000.00 with a term of 10 years and a coupon rate of 2.67%.
- 17) Pursuant to the Replies (Zheng Jian Xu Ke [2023] No. 810) issued by the China Securities Regulatory Commission (中國證券監督管理委員會出具的批覆(證監許可[2023]810號)), Jidong Cement issued the second tranche of corporate bonds of Tangshan Jidong Cement Co., Ltd. for 2024 to professional investors by way of public issuance on 20 September 2024 (hereinafter referred to as "24 Jidong 02"), totalling RMB1,000,000,000.00 with a term of 5 years (with the issuer's option to adjust the coupon rate at the end of the third year and the investors' entitlement to sell back the bonds) and a coupon rate of 2.15%.
- 18) Pursuant to the Notice of Acceptance of Registration (Zhong Shi Xie Zhu [2023] No. DFI6) (《接受註冊通知書》(中市協註[2023]DFI6號)) issued by the National Association of Financial Market Institutional Investors, the Company issued the third tranche of medium-term notes of BBMG Corporation for 2024 on 20 September 2024 (hereinafter referred to as "24 BBMG MTN003"), totalling RMB2,000,000,000.00 with a term of 5 years and a coupon rate of 2.29%.
- 19) Pursuant to the document (Zheng Jian Xu Ke [2024] No. 412) (《證監許可[2024]412號》文件) issued by the China Securities Regulatory Commission, the Company issued the second tranche of science and technology innovation corporate bonds of BBMG Corporation for 2024 to professional investors by way of public issuance on 17 December 2024 (hereinafter referred to as "24 BBMG K3"), totalling RMB1,000,000,000.00 with a term of 5 years (with the issuer's option to adjust the coupon rate at the end of the third year and the investors' entitlement to sell back the bonds) and a coupon rate of 1.99%.

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS**
*(continued)***39. Lease liabilities**

	2024	2023
Principal of lease liabilities	799,561,991.60	836,771,112.83
Less: Unrecognised finance cost	<u>197,041,957.63</u>	<u>208,409,534.14</u>
Closing balance	602,520,033.97	628,361,578.69
Less: Lease liabilities due within one year	<u>144,028,915.34</u>	<u>127,829,313.55</u>
Total	<u>458,491,118.63</u>	<u>500,532,265.14</u>

40. Long-term payables

	2024	2023
Long-term payables	421,020,480.23	273,383,127.71
Less: Long-term payables due within one year	<u>161,419,475.33</u>	<u>59,898,246.12</u>
Total	<u>259,601,004.90</u>	<u>213,484,881.59</u>

Analysis of maturity of long-term payables:

	2024	2023
Within 1 year (inclusive of 1 year)	161,419,475.33	59,898,246.12
1 to 2 years (inclusive of 2 years)	138,264,608.38	99,643,865.90
2 to 5 years (over 2 years and inclusive of 5 years)	<u>121,336,396.52</u>	<u>113,841,015.69</u>
Total	<u>421,020,480.23</u>	<u>273,383,127.71</u>

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

41. Long-term wages payable

(1) Presentation of long-term wages payable

	2024	2023
Net liabilities of defined benefit plan	389,947,884.18	409,306,793.59

(2) Changes in the obligation of defined benefit plan

	2024	2023
Opening balance	456,334,616.92	496,334,846.90
Recognized in profit or loss		
Current service cost	(556,948.33)	(346,641.36)
Previous service cost	(2,891,000.00)	4,204,000.00
Net interest	10,191,411.00	13,255,437.00
Recognized in other comprehensive income		
Actuarial changes arising from changes in financial assumptions	22,026,543.58	(171,378.00)
Actuarial gains on difference in experience	(9,808,605.32)	(18,894,744.00)
Other changes		
Benefits paid	(35,597,691.13)	(38,046,903.62)
Closing balance	439,698,326.72	456,334,616.92
Less: Current portion of net liability of defined benefit plans	49,750,442.54	47,027,823.33
Total	389,947,884.18	409,306,793.59

The Group's defined benefit plans are various supplementary benefit plans for employees retiring before the designated dates, and the plans are subject to impacts from interest rate risk and the risk of changes in the life expectancy of pension beneficiaries. The present value of the net liabilities of the defined benefit plans was determined by Beijing Branch of Towers Watson Management and Consulting (Shenzhen) Company Limited (韜睿惠悅管理諮詢(深圳)有限公司), a member of the China Association of Actuaries (中國精算學會), on 31 December 2024 using the projected accumulated benefit units method.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS
*(continued)***41. Long-term wages payable** *(continued)***(3) Major actuarial assumptions and sensitivity analysis results of the defined benefit plan**

The following table sets forth the principal actuarial assumptions used as at the balance sheet date:

	2024	2023
Discount rate (%)	1.50-3.00	2.50-3.00
Growth rate of benefit costs of retirees and early retirees (%)	2.50	2.50

The following table sets forth the quantitative sensitivity analysis of significant assumptions used:

31 December 2024

	Increase/ (decrease) of defined benefit		Increase/ (decrease) of defined benefit	
	Increase (%)	plan obligations	Decrease (%)	plan obligations
Discount rate	0.25	(6,959,026.30)	0.25	6,866,767.64
Expected growth rate of future retiree benefit costs (%)	0.50	13,696,273.39	0.50	(11,942,405.34)

31 December 2023

	Increase/(decrease) of defined benefit		Increase/(decrease) of defined benefit	
	Increase (%)	plan obligations	Decrease (%)	plan obligations
Discount rate (%)	0.25	(6,889,299.29)	0.25	7,132,854.97
Expected growth rate of future retiree benefit costs (%)	0.50	13,173,874.72	0.50	(11,778,760.05)

The above sensitivity analysis represents the inference on the impacts over the defined benefit obligations based on reasonable changes in key assumptions as at the balance sheet date. The sensitivity analysis is based on changes in major assumptions with other assumptions remain unchanged. As changes in assumptions are always not isolated from each other, the sensitivity analysis may not represent the actual changes in the defined benefit obligations.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

41. Long-term wages payable *(continued)*

(3) Major actuarial assumptions and sensitivity analysis results of the defined benefit plan *(continued)*

The table below sets out the relevant costs recognised in profit or loss:

	2024	2023
Net interest expenses charged to finance expenses	10,191,411.00	13,255,437.00
Charged to management expenses	<u>(3,447,948.33)</u>	<u>3,857,358.64</u>
Total	<u>6,743,462.67</u>	<u>17,112,795.64</u>

Expected future payments to the defined benefit plan:

	2024	2023
Within 1 year	49,750,442.54	47,027,823.33
2 to 5 years	146,262,940.95	156,546,145.71
5 to 10 years	141,709,458.34	153,111,713.12
Over 10 years	<u>441,335,027.00</u>	<u>468,490,904.00</u>
Total expected deposit	<u>779,057,868.83</u>	<u>825,176,586.16</u>

42. Estimated liabilities

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Pending litigations or arbitration	2,424,729.67	171,558,726.42	–	173,983,456.09
Restoration cost of mines	441,004,963.97	14,476,924.73	6,188,611.00	449,293,277.70
Others	<u>73,204,545.15</u>	<u>581,998.82</u>	<u>7,861,093.35</u>	<u>65,925,450.62</u>
Total	<u>516,634,238.79</u>	<u>186,617,649.97</u>	<u>14,049,704.35</u>	<u>689,202,184.41</u>

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS*(continued)***43. Deferred income**

	2024	2023
Opening balance	786,216,497.15	762,550,771.11
Increase during the year	151,639,348.22	107,758,093.88
Decrease during the year	139,257,590.90	84,092,367.84
Closing balance	798,598,254.47	786,216,497.15

Of which, the details of government grants are as follows:

	2024	2023
Government grants related to assets		
Environmental protection projects	556,482,319.30	512,807,756.27
Relocation compensation	131,857,891.26	176,084,404.12
Specific funds	727,555.64	769,222.32
Others	103,981,710.28	89,691,164.74
Government grants related to income		
Research and development funds	5,548,777.99	6,863,949.70
Closing balance	798,598,254.47	786,216,497.15

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

43. Deferred income *(continued)*

The reasons for the formation of deferred income are as follows:

2024

	Opening balance	Increase in the year	Included in other income in the year	Closing balance	Related to assets/gains
Asset subsidy for relocation compensation of Tiantan	129,946,980.39	155,000.00	5,229,997.25	124,871,983.14	Related to assets
Subsidy for environmental protection equipment for Bio-Island project	64,875,334.28	-	15,264,784.56	49,610,549.72	Related to assets
Appropriation for mud project of Beijing Cement Plant	9,906,377.68	-	3,714,891.66	6,191,486.02	Related to assets
Tangshan Qixin Cement Industry Museum Project	42,177,545.01	-	1,353,886.08	40,823,658.93	Related to assets
Grant of Liushui construction garbage project	24,493,333.34	-	2,449,333.38	22,043,999.96	Related to assets
Relocation compensation for Jianji	39,151,515.61	-	39,151,515.61	-	Related to assets
Replacement subsidy for Jianyuan	17,393,867.93	-	1,179,245.28	16,214,622.65	Related to assets
Zanhuang collaborative disposal of household garbage and sludge project	10,177,500.00	-	1,062,000.00	9,115,500.00	Related to assets
Special subsidies to support the development of advanced manufacturing and modern service industries	11,462,500.00	-	786,000.00	10,676,500.00	Related to assets
Grant of Heilongjiang industrial production project	9,258,072.36	-	1,028,674.68	8,229,397.68	Related to assets
Project of the production line with a capacity of 4,600 tonnes of cement clinkers in Hechuan	11,515,402.80	-	322,109.16	11,193,293.64	Related to assets
Central budget investment plan for pollution control and energy conservation and carbon reduction projects (focused on energy conservation and carbon reduction) in 2022	18,666,666.67	-	1,333,333.33	17,333,333.34	Related to assets
Environmental protection and governance fee project	7,227,555.52	-	501,333.35	6,726,222.17	Related to assets
Subsidy funds for SCR denitrification project	8,170,000.00	-	544,666.68	7,625,333.32	Related to assets
SCR collaborative disposal project	8,131,000.00	-	564,000.00	7,567,000.00	Related to assets
A technology demonstration production line for capturing, storing, and utilizing 100,000 tonnes of carbon dioxide per year	21,930,000.00	-	-	21,930,000.00	Related to assets
Special fund for energy conservation and carbon reduction	-	11,000,000.00	-	11,000,000.00	Related to assets
SCR denitration management subsidy from Lincheng Branch of Xingtai Ecological Environment Bureau	-	12,510,700.64	-	12,510,700.64	Related to assets
VAT additional tax deduction	-	6,156,593.76	-	6,156,593.76	Related to assets
Unrealized income from downstream transactions of joint ventures	-	47,576,276.37	-	47,576,276.37	Related to assets
Total	434,483,651.59	77,398,570.77	74,485,771.02	437,396,451.34	

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS
*(continued)***43. Deferred income** *(continued)*

The reasons for the formation of deferred income are as follows: *(continued)*

2023

	Opening balance	Increase in the year	Included in other income in the year	Closing balance	Related to assets/ gains
Asset subsidy for relocation compensation of Tiantan	136,870,967.45	–	6,923,987.06	129,946,980.39	Related to assets
Subsidy for environmental protection equipment for Bio-Island project	80,222,398.74	–	15,347,064.46	64,875,334.28	Related to assets
Appropriation for mud project of Beijing Cement Plant	13,016,388.84	–	3,110,011.16	9,906,377.68	Related to assets
Tangshan Qixin Cement Industry Museum Project	43,531,431.09	–	1,353,886.08	42,177,545.01	Related to assets
Grant of Lushui construction garbage project	26,942,666.68	–	2,449,333.34	24,493,333.34	Related to assets
Relocation compensation for Jianji	40,533,333.76	–	1,381,818.15	39,151,515.61	Related to assets
Replacement subsidy for Jianyuan	18,573,113.21	–	1,179,245.28	17,393,867.93	Related to assets
Zanhuang collaborative disposal of household garbage and sludge project	11,239,500.00	–	1,062,000.00	10,177,500.00	Related to assets
Special subsidies to support the development of advanced manufacturing and modern service industries	11,790,000.00	–	327,500.00	11,462,500.00	Related to assets
Grant of Heilongjiang industrial production project	10,286,747.04	–	1,028,674.68	9,258,072.36	Related to assets
Project of the production line with a capacity of 4,600 tonnes of cement clinkers in Hechuan	11,837,511.96	–	322,109.16	11,515,402.80	Related to assets
Raw material storage tent of Zhenxing	5,967,333.34	–	668,895.54	5,298,437.80	Related to assets
Heat supply renovation project of Liulihe	4,374,999.77	–	500,000.02	3,874,999.75	Related to assets
Central budget investment plan for pollution control and energy conservation and carbon reduction projects (focused on energy conservation and carbon reduction) in 2022	–	20,000,000.00	1,333,333.33	18,666,666.67	Related to assets
Environmental protection and governance fee project	–	7,520,000.00	292,444.48	7,227,555.52	Related to assets
Subsidy funds for SCR denitrification project	–	8,170,000.00	–	8,170,000.00	Related to assets
SCR collaborative disposal project	–	8,460,000.00	329,000.00	8,131,000.00	Related to assets
A technology demonstration production line for capturing, storing, and utilizing 100,000 tonnes of carbon dioxide per year	–	21,930,000.00	–	21,930,000.00	Related to assets
Total	415,186,391.88	66,080,000.00	37,609,302.74	443,657,089.14	

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

44. Share capital

2024

	Opening balance	Movements during the year		Closing balance
		Shares released from lock-up period	Sub-total	
I. Shares subject to lock-up restriction				
1. State-owned legal person shareholdings	-	-	-	-
2. Other domestic shareholdings	4,848,000.00	-	-	4,848,000.00
Total shares subject to lock-up restriction	4,848,000.00	-	-	4,848,000.00
II. Shares not subject to lock-up restriction				
1. RMB ordinary shares	8,334,158,264.00	-	-	8,334,158,264.00
2. Overseas listed foreign shares	2,338,764,870.00	-	-	2,338,764,870.00
Total shares not subject to lock-up restriction	10,672,923,134.00	-	-	10,672,923,134.00
Total share capital	10,677,771,134.00	-	-	10,677,771,134.00

2023

	Opening balance	Movements during the year		Closing balance
		Shares released from lock-up period	Sub-total	
I. Shares subject to lock-up restriction				
1. State-owned legal person shareholdings	-	-	-	-
2. Other domestic shareholdings	4,848,000.00	-	-	4,848,000.00
Total shares subject to lock-up restriction	4,848,000.00	-	-	4,848,000.00
II. Shares not subject to lock-up restriction				
1. RMB ordinary shares	8,334,158,264.00	-	-	8,334,158,264.00
2. Overseas listed foreign shares	2,338,764,870.00	-	-	2,338,764,870.00
Total shares not subject to lock-up restriction	10,672,923,134.00	-	-	10,672,923,134.00
Total share capital	10,677,771,134.00	-	-	10,677,771,134.00

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS**
(continued)**45. Other equity instruments**

Perpetual bonds	At the beginning of the year		Increase during the year		Decrease during the year		At the end of the year	
	Amount	Carrying value	Amount	Carrying value	Amount	Carrying value	Amount	Carrying value
Perpetual bonds – 2021 Second Tranche of Renewable Corporate Bonds (21 BBMG Y2)	15,000,000.00	1,500,000,000.00	-	-	15,000,000.00	1,500,000,000.00	-	-
Perpetual bonds – 2022 First Tranche of Renewable Corporate Bonds (22 BBMG Y1)	10,000,000.00	1,000,000,000.00	-	-	-	-	10,000,000.00	1,000,000,000.00
Perpetual bonds – 2022 First Tranche of Renewable Corporate Bonds (22 BBMG Y2)	5,000,000.00	500,000,000.00	-	-	-	-	5,000,000.00	500,000,000.00
Perpetual bonds – 2022 Second Tranche of Renewable Corporate Bonds (22 BBMG Y4)	15,000,000.00	1,500,000,000.00	-	-	-	-	15,000,000.00	1,500,000,000.00
Perpetual bonds – 2022 Third Tranche of Renewable Corporate Bonds (22 BBMG Y5)	20,000,000.00	2,000,000,000.00	-	-	-	-	20,000,000.00	2,000,000,000.00
Perpetual bonds – 2022 Third Tranche of Renewable Corporate Bonds (22 BBMG Y6)	5,000,000.00	500,000,000.00	-	-	-	-	5,000,000.00	500,000,000.00
Jiangsu Trust Perpetual Bonds Investment	49,990,000.00	4,999,000,000.00	-	-	-	-	49,990,000.00	4,999,000,000.00
Perpetual bonds – 2023 First Tranche of Medium-term Notes	20,000,000.00	1,998,407,000.00	-	-	-	-	20,000,000.00	1,998,407,000.00
Perpetual bonds – 2023 Second Tranche of Medium-term Notes	20,000,000.00	1,997,900,000.00	-	-	-	-	20,000,000.00	1,997,900,000.00
Perpetual bonds – 2023 First Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY02)	20,000,000.00	1,994,000,000.00	-	-	-	-	20,000,000.00	1,994,000,000.00
Perpetual bonds – 2023 Second Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY03)	20,000,000.00	1,994,000,000.00	-	-	-	-	20,000,000.00	1,994,000,000.00
Perpetual bonds – 2023 Third Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY04)	5,000,000.00	498,500,000.00	-	-	-	-	5,000,000.00	498,500,000.00
Perpetual bonds – 2023 Third Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY05)	30,000,000.00	2,991,300,000.00	-	-	-	-	30,000,000.00	2,991,300,000.00
Perpetual bonds – 2023 Fourth Tranche of Medium-term Notes	15,000,000.00	1,498,416,000.00	-	-	-	-	15,000,000.00	1,498,416,000.00
Perpetual bonds – 2023 Fifth Tranche of Medium-term Notes	10,000,000.00	998,437,000.00	-	-	-	-	10,000,000.00	998,437,000.00
Perpetual bonds – 2023 Sixth Tranche of Medium-term Notes	15,000,000.00	1,498,416,000.00	-	-	-	-	15,000,000.00	1,498,416,000.00
Perpetual bonds – 2024 First Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY06)	-	-	15,000,000.00	1,496,250,000.00	-	-	15,000,000.00	1,496,250,000.00
Perpetual bonds – 2024 Second Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY07)	-	-	10,000,000.00	997,500,000.00	-	-	10,000,000.00	997,500,000.00
Perpetual bonds – 2024 Second Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY08)	-	-	5,000,000.00	498,750,000.00	-	-	5,000,000.00	498,750,000.00
Perpetual bonds – 2024 Third Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY09)	-	-	5,000,000.00	498,833,333.33	-	-	5,000,000.00	498,833,333.33
Perpetual bonds – 2024 Third Tranche of Scientific and Technological Innovation Renewable Corporate Bonds (BBMG KY10)	-	-	10,000,000.00	997,666,666.67	-	-	10,000,000.00	997,666,666.67
Total	274,990,000.00	27,468,376,000.00	45,000,000.00	4,489,000,000.00	15,000,000.00	1,500,000,000.00	304,990,000.00	30,457,376,000.00

According to the contractual terms of the Company's various perpetual bonds, the Company has no contractual obligation to repay the principal or pay bond interest, nor any obligation to exchange financial assets or liabilities with perpetual bondholders under potentially unfavorable conditions. The perpetual bonds were accounted for by the Company based on the net proceeds after deducting issue expenses and included in other equity instruments, and the relevant coupon payments declared will be treated as distribution to the holders of the equity.

Notes to Financial Statements *(continued)*

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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

45. Other equity instruments *(continued)*

(1) According to the Prospectus, the major terms of the medium-term notes are as follows:

Maturity date	The medium-term notes have no fixed maturity date. The issuance term is 2+N (2) years, and will expire when the issuer will redeem the bonds according to the requirement of issuance provisions.
Deferred distribution	Unless a mandatory interest payment event has occurred, on each interest payment date of the medium-term notes, the Company can elect to defer payment of interest due and all interest deferred according to the issuance provisions and its fruits to the next interest payment date without any limitation on the number of times of such deferral. The foregoing deferred interest payment does not make the Company fail to pay the interest in full according to the requirement. Interest shall accrue on each of the deferred interest at the prevailing coupon rate over the period of deferral. If the issuer chooses to defer interest payment, the "Interest Deferral Payment Notice" shall be disclosed by the issuer on a website approved by the NAFMII ten working days before the interest payment date.
Mandatory distribution payment events	If any of the following events occurs within 12 months prior to the interest payment date, the Company shall not defer the payment of interest due or all interest deferred pursuant to this term and its fruits: <ul style="list-style-type: none"> (1) distributing dividends to ordinary shareholders; (2) reducing the registered capital.
Redemption and purchase	On each reset date of the coupon rate of the medium-term notes, the Company has the right to redeem the medium-term notes at face value plus accrued interest (including all deferred interest and its fruits).
Interest rate determination	Medium-term notes carried fixed rate; <p>The end of the second interest calculation year is the first reset date of the coupon rate. Starting from the third interest calculation year, the coupon rate will be reset every two years;</p> <p>In the event that the issuer does not exercise its redemption right, starting from the third year of interest calculation, the coupon rate shall be adjusted to benchmark interest rate for the current period plus initial spread plus 300 basis points. Thereafter, the coupon interest rates is reset every two years to the benchmark interest rate for the current period plus the initial spread plus 300 basis points.</p>

Notes to Financial Statements (continued)

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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS
(continued)**45. Other equity instruments** (continued)**(2) According to the Perpetual Bonds Investment Contract of Jiangsu Trust – BBMG No. 1 Assembled Funds Trust Plan (《江蘇信託一金隅1號集合資金信託計劃之永續債權投資合同》), the major terms of Jiangsu Trust Perpetual Bonds Investment are as follows:**

Maturity date	No fixed maturity date. The investment period under this Contract shall be 7+N (N=0, 1, 2, 3,.....), which shall last for a long time before the Company applies for the expiration of this contract according to the provisions of this Contract or the Investor announces the early expiration of the investment under this Contract according to the provisions of this Contract, and expire on the expiration date stipulated in the Application for Investment Expiration of the i-th Investment Fund sent by the Company or at the time when the Investor announces the early expiration of the investment under this Contract according to the provisions of this Contract. The first seven years after the release of each investment fund shall be the initial investment period, and each subsequent year shall be an investment period. The Company shall have the right to choose to apply for the maturity of the investment fund prior 90 days of the expiration date of each investment period. If the Company chooses to apply for the maturity of the investment fund, such investment fund shall expire when the current investment period expires, and the Company shall, according to the provisions of this Contract, fully pay such investment fund, the investment income (including the deferred investment income under such investment fund) and other payable.
Deferred distribution	Unless a compulsory payment event occurs, the Company can choose to postpone the payment of the current i-th investment income corresponding to the i-th investment fund and all the i-th investment income deferred according to this Article to the next payment date on each i-th investment income payment date under this Contract, without any restriction on the number of deferred payments. The above deferral of the i-th investment income will not constitute the Company's failure to pay the i-th investment income to the Investor in full according to the provisions of this Contract. If the Company chooses deferred payment, it shall send a notice of deferred payment to the Investor 10 working days in advance.
Mandatory distribution payment events	If the Company has any of the following events within 12 months before the payment date of any i-th investment income, the Company shall not defer the payment of the current i-th investment income and all the deferred i-th investment income: <ul style="list-style-type: none"> (1) paying dividends to shareholders; (2) reducing the registered capital; (3) making any form of interest payment or payment with respect to other perpetual bonds or securities or creditor's rights with the same repayment order as or inferior repayment order than the Perpetual Bonds.
Redemption and purchase	Before 90 days of the expiration date of each investment period, the Company shall have the right, according to the provisions of this Contract, fully pay such investment fund, the investment income (including the deferred investment income under such investment fund) and other amounts payable.
Interest rate determination	The Perpetual Debts shall bear interest at the fixed rate of return within the previous 7 years; <p>The investment income will be adjusted on the day immediately after the expiration date of the 7th year from the starting date of the i-th investment period. The adjusted interest rate will be the original applicable investment income rate plus 300bp, and such investment income rate will remain unchanged thereafter.</p>

Notes to Financial Statements *(continued)*

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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

45. Other equity instruments *(continued)*

(3) According to the Prospectus, the major terms of the Renewable Corporate Bonds are as follows:

Maturity date	The basic period of the Bonds shall be 2, 3 or 5 years, with every 2, 3 or 5 interest-bearing years as a cycle (repricing cycle). The Company has the option of renewal at the end of each agreed period, and the Company has the right to choose to extend the period of the Bonds for one cycle, or choose to pay the Bonds in full at the expiration of the repricing cycle.
Deferred distribution	Unless a mandatory interest payment event has occurred, on each interest payment date of the current bonds, the Company can elect to defer payment of interest due and all interest deferred according to the provisions and its fruits to the next interest payment date without any limitation on the number of times of such deferral. The foregoing deferred interest payment does not make the Company fail to pay the interest in full according to the requirement.
Mandatory distribution payment events	If any of the following events occurs within 12 months prior to the interest payment date, the Company shall not defer the payment of interest due or all interest deferred as agreed and its fruits: <ul style="list-style-type: none"> (1) distributing dividends to ordinary shareholders; (2) reducing the registered capital.
Redemption and purchase	The Company has no right or obligation to redeem the Bonds, except that the Company redeems the Bonds due to change of tax policies and change of accounting standards. If the Company redeems the Bonds, it will redeem all the Bonds from the investors with the par value plus the current interest, the deferred interest and its fruits (if any). The payment method of redemption will be the same as the payment method of the principal and interest due for the Bonds. The list of bondholders will be counted according to the relevant regulations of the registration authority of the Bonds, and it will be handled according to the relevant regulations of the registration authority of the Bonds.
Interest rate determination	The Renewable Bonds will be in the form of fixed interest rate, with simple interest bearing annual interest, excluding compound interest. If there is any deferral, each deferred interest will accrue at the current coupon rate during the deferred period. The coupon rate of the first cycle of the Bonds shall be fixed in the first cycle, and then reset once every cycle. The coupon rate of the first cycle shall be the initial benchmark interest rate plus the initial interest rate spread. If the Issuer exercises the renewal option at the end of the first cycle or a subsequent cycle, the coupon rate will be adjusted to the current benchmark interest rate plus the initial interest rate spread plus 300 basis points from the second cycle. After that, the coupon rate will be reset to the current benchmark interest rate plus the initial interest rate spread plus 300 basis points in each cycle, and so on, and such 300 basis points will not be superimposed progressively.

The interest rate of medium-term notes, perpetual bonds investment and renewable corporate bonds of the Group was 2.15%~5.45%, and as at 31 December 2024, the interest accrued was RMB1,084,474,591.48, and interest payable to specific investors amounted to RMB890,745,963.02 (as at 31 December 2023, the interest accrued was RMB882,597,950.00 and interest payable to specific investors amounted to RMB671,145,500.00).

Notes to Financial Statements (continued)

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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS
(continued)**46. Capital reserve****2024**

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Share premium	<u>5,461,112,758.98</u>	<u>-</u>	<u>422,855,776.43</u>	<u>5,038,256,982.55</u>

2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Share premium	<u>5,432,314,011.21</u>	<u>37,275,295.35</u>	<u>8,476,547.58</u>	<u>5,461,112,758.98</u>

The increase in the capital reserve during the year mainly includes the equity transactions that do not affect control. For details, please see the Note VII. 2.

47. Other comprehensive income

Accumulated balance of other comprehensive income attributable to shareholders of the parent company in the consolidated balance sheet:

2024

	1 January 2024	Increase/(decrease)	31 December 2024
Changes arising from re-measurement of defined benefit plans	123,455,001.20	(9,026,597.56)	114,428,403.64
Changes in fair value of investment in other equity instruments	(230,423,962.84)	21,321,263.70	(209,102,699.14)
Other comprehensive income that can be transferred to profit or loss under the equity method	(15,000,713.70)	1,554,022.73	(13,446,690.97)
Cash flow hedging reserves	(733,367.25)	-	(733,367.25)
Exchange differences on foreign currency translation	36,119,124.17	(4,077,472.38)	32,041,651.79
The difference between the fair value and the carrying value of the self-occupied properties or inventories on the date when it changed to the investment properties measured with the fair value model	<u>718,946,168.48</u>	<u>30,322,858.10</u>	<u>749,269,026.58</u>
Total	<u>632,362,250.06</u>	<u>40,094,074.59</u>	<u>672,456,324.65</u>

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

47. Other comprehensive income *(continued)*

Accumulated balance of other comprehensive income attributable to shareholders of the parent company in the consolidated balance sheet: *(continued)*

2023

	1 January 2023	Increase/(decrease)	31 December 2023
Changes arising from re-measurement of defined benefit plans	112,971,550.00	10,483,451.20	123,455,001.20
Changes in fair value of investment in other equity instruments	(177,031,886.02)	(53,392,076.82)	(230,423,962.84)
Other comprehensive income that can be transferred to profit or loss under the equity method	(6,754,613.87)	(8,246,099.83)	(15,000,713.70)
Cash flow hedging reserves	(733,367.25)	–	(733,367.25)
Exchange differences on foreign currency translation	48,024,329.75	(11,905,205.58)	36,119,124.17
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	709,826,289.08	9,119,879.40	718,946,168.48
Total	686,302,301.69	(53,940,051.63)	632,362,250.06

Changes in other comprehensive income:

2024

	Amount before tax		Attributable to the shareholders of the parent company		Attributable to minority shareholders	
	Amount before tax	Less: Income tax	Amount before tax	Less: Income tax	Amount before tax	Less: Income tax
Other comprehensive income not allowed to be reclassified into profit or loss	(12,217,938.26)	–	(9,026,597.56)	–	(3,191,340.70)	–
Remeasurement of changes in defined benefit plans	4,735,826.68	1,183,956.67	21,321,263.70	–	(17,769,393.69)	–
Changes in fair value of investment in other equity instruments						
Other comprehensive income to be reclassified into profit or loss						
Other comprehensive income that may be reclassified to profit or loss under equity method	2,858,927.08	–	1,554,022.73	–	1,304,904.35	–
Exchange differences on foreign currency translation	(4,998,948.50)	–	(4,077,472.38)	–	(921,476.12)	–
The difference between the fair value and the carrying value of the self-occupied properties or inventories on the date when it changed to the investment properties measured with the fair value model	40,430,477.47	10,107,619.37	30,322,858.10	–	–	–
Total	30,808,344.47	11,291,576.04	40,094,074.59	–	(20,577,306.16)	–

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS**
*(continued)***47. Other comprehensive income** *(continued)*Changes in other comprehensive income: *(continued)*

2023

	Amount before tax	Less: Income tax	Attributable to the shareholders of the parent company	Attributable to minority shareholders
Other comprehensive income not allowed to be reclassified into profit or loss				
Remeasurement of changes in defined benefit plans	19,066,122.00	–	10,483,451.20	8,582,670.80
Changes in fair value of investment in other equity instruments	(124,543,150.77)	(31,135,787.70)	(53,392,076.82)	(40,015,286.25)
Other comprehensive income to be reclassified into profit or loss				
Other comprehensive income that may be reclassified to profit or loss under equity method	(24,988,181.30)	–	(8,246,099.83)	(16,742,081.47)
Exchange differences on foreign currency translation	(10,305,906.85)	–	(11,905,205.58)	1,599,298.73
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	12,358,718.91	3,089,679.73	9,119,879.40	149,159.78
Total	(128,412,398.01)	(28,046,107.97)	(53,940,051.63)	(46,426,238.41)

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

48. Specific reserve

2024

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Production safety cost	68,415,551.23	190,121,423.59	179,303,754.73	79,233,220.09

2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Production safety cost	62,794,408.27	184,915,826.52	179,294,683.56	68,415,551.23

Pursuant to the requirements of the Administrative Measures on Provision and Usage of Production Safety Cost of Enterprises" (Cai Qi [2012] No.16) issued by the Ministry of Finance and the State Administration of Work Safety, the Group began to accrue production safety fund for the stipulated non-metal mineral products industries at a fixed amount from 2012, the details of which are set out in Note III. 30 Production safety cost.

49. Surplus reserve

2024

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Statutory surplus reserve	2,935,800,236.68	96,985,943.32	-	3,032,786,180.00

2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Statutory surplus reserve	2,620,134,353.87	315,665,882.81	-	2,935,800,236.68

According to the requirements of the Company Law and the Articles of Association of the Company, the Company shall appropriate 10% of its net profit to the statutory surplus reserve. In the event that the accumulated statutory surplus reserve of the Company has exceeded 50.00% of the registered capital of the Company, additional appropriation will not be needed. After the appropriation to statutory surplus reserve, the Company may make appropriation to the discretionary surplus reserve. Upon approval, discretionary surplus reserve can be used to make up for losses from previous years or to increase the share capital.

Notes to Financial Statements (continued)

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS
(continued)**50. General risk reserve**

2024

	Opening balance	Increase during the year	Closing balance
General risk reserve	<u>496,135,862.64</u>	<u>1,080,437.03</u>	<u>497,216,299.67</u>

2023

	Opening balance	Increase during the year	Closing balance
General risk reserve	<u>495,759,173.46</u>	<u>376,689.18</u>	<u>496,135,862.64</u>

The general risk reserve is made by the Company's subsidiary BBMG Finance Co., Ltd. based on a certain ratio of the balance of risk assets at the end of the year pursuant to the Administrative Measures on Provision of Reserves of Financial Enterprises (《金融企業準備金計提管理辦法》) issued by the Ministry of Finance.

51. Retained earnings

	2024	2023
Retained earnings as at the beginning of the year	25,267,051,623.61	27,155,839,982.99
Net profit attributable to the shareholders of the parent company	(555,162,082.74)	25,262,828.59
Less: Interest of perpetual bonds	1,084,474,591.48	882,597,950.00
Appropriation of surplus reserve	96,985,943.32	315,665,882.81
Appropriation of general risk reserve	1,080,437.03	376,689.18
Cash dividends payable	266,944,278.35	715,410,665.98
Retained earnings at the end of the year	<u>23,262,404,290.69</u>	<u>25,267,051,623.61</u>

Note 1: Upon the consideration and approval by the 2023 annual general meeting of the Company convened on 6 June 2024, profit distribution for the year 2023 was calculated based on total share capital of the Company of 10,677,771,134 shares before implementation of distribution plan, with the distribution of a cash dividend of RMB0.025 per share (tax inclusive) in an aggregate amount of cash dividends of RMB266,944,278.35.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

52. Operating revenue and costs

	2024		2023	
	Revenue	Costs	Revenue	Costs
Principal operations	109,754,863,645.13	98,870,166,420.33	107,068,654,154.25	95,550,472,031.04
Other operations	956,955,753.61	263,674,925.52	887,025,403.77	421,330,947.27
Total	110,711,819,398.74	99,133,841,345.85	107,955,679,558.02	95,971,802,978.31

The disaggregated operating revenue is as follows:

Reportable segments	2024	2023
Types of goods		
Bulk commodity trade	41,124,474,265.15	39,225,956,086.77
Sale of products	31,923,127,688.77	35,850,042,491.04
Sale of properties	29,153,652,308.36	25,248,350,728.71
Rental income	1,914,028,399.71	1,827,157,545.30
Property management	1,040,421,870.19	988,961,306.67
Hotel operation	474,518,558.84	418,813,688.92
Income from decoration	1,966,238,450.64	1,111,993,331.35
Treatment of solid wastes	961,981,779.89	1,031,071,099.12
Interest income	226,481,731.87	277,065,252.07
Others	1,926,894,345.32	1,976,268,028.07
Total	110,711,819,398.74	107,955,679,558.02
Operating regions		
North China	74,631,502,493.64	80,726,406,550.78
East China	21,223,985,915.22	14,338,381,043.27
Central China	840,199,850.06	912,485,345.79
South China	1,782,222,914.66	292,438,870.65
Northeast China	1,788,615,208.02	2,261,435,900.12
Southwest China	2,072,627,638.83	3,335,888,550.07
Northwest China	2,641,682,737.89	2,405,490,073.67
Overseas	5,730,982,640.42	3,683,153,223.67
Total	110,711,819,398.74	107,955,679,558.02
Time of transfer of goods		
At a point in time	104,128,148,607.60	102,300,617,334.59
Over time	6,583,670,791.14	5,655,062,223.43
Total	110,711,819,398.74	107,955,679,558.02

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS
*(continued)***52. Operating revenue and costs** *(continued)*

The disaggregated operating costs is as follows:

Reportable segments	2024
Types of goods	
Bulk commodity trade	40,995,402,362.54
Sale of products	26,581,497,568.32
Sale of properties	27,226,085,307.34
Rental income	265,836,975.77
Property management	800,963,286.29
Hotel operation	312,565,876.50
Income from decoration	1,461,146,490.72
Treatment of solid wastes	667,168,687.34
Others	823,174,791.03
Total	<u>99,133,841,345.85</u>
Operating regions	
North China	65,796,081,491.81
East China	20,345,280,688.52
Central China	719,797,519.93
South China	1,717,781,988.21
Northeast China	1,145,457,773.37
Southwest China	1,877,008,966.65
Northwest China	1,833,499,627.62
Overseas	5,698,933,289.74
Total	<u>99,133,841,345.85</u>
Time of transfer of goods	
At a point in time	95,626,160,029.23
Over time	3,507,681,316.62
Total	<u>99,133,841,345.85</u>

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

52. Operating revenue and costs *(continued)*

The information related to the Group's performance obligations is as follows:

	Time to fulfill contractual obligations	Key payment terms	Nature of goods promised to transfer	Whether they are the primary responsible party	Amounts expected to be refunded to customers	Types of quality guarantees provided and related obligations
Cement and clinker	Outbound receipt	Receipts in advance, credit sales	Mainly selling cement, clinker	Yes	Nil	Statutory warranty
Concrete	At the time of delivery/ outbound receipt	Receipts in advance, credit sales	Mainly selling concrete	Yes	Nil	Statutory warranty
Disposal of pollutants for environmental enterprises	Based on the amount of disposal	Settlement after disposal	Mainly disposing of sludge, waste soil, household wastes	Yes	Nil	Nil
Furniture	Outbound receipt	Receipts in advance, credit sales	Mainly selling furniture material products	Yes	Nil	Statutory warranty
Refractory material	At the time of delivery/ outbound receipt	Receipts in advance, initial acceptance payment, final acceptance payment	Mainly selling refractory materials	Yes	Nil	Statutory warranty
Decoration and renovation services	Based on the progress of the project	Receipts in advance, service progress acceptance payment	Mainly providing decoration and renovation services	Yes	Nil	Statutory warranty
Bulk commodities	Outbound receipt or transfer of ownership certificate	Receipts in advance, credit sales	Mainly selling bulk commodities such as electrolytic copper, iron ore, ethylene glycol, steel, coal, etc.	Yes	Nil	Statutory warranty
Real estate sales	At the time of property delivery	Receipts in advance for property	Mainly selling real estate, commercial properties	Yes	Nil	Statutory warranty
Revenue from property services and hotel management	During the service period	Regular payments within the agreed payment period as per the contract	Mainly providing property services, hotel services	Yes	Nil	Nil

The profit and loss from trial operation sales related to ordinary activities are as follows:

	2024	2023
Operating revenue	–	93,860,907.21
Operating costs	–	86,115,486.64

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS**
(continued)**53. Tax and surcharges**

	2024	2023
City maintenance and construction tax	137,639,604.73	122,334,922.53
Education surcharges	107,321,436.66	98,033,046.11
Resource tax	204,539,544.13	179,968,635.09
Land appreciation tax	92,968,501.53	(68,665,711.12)
Real estate tax	449,389,365.55	413,626,501.71
Land use tax	201,100,281.70	195,641,988.69
Stamp duty	91,678,473.69	93,873,419.29
Green tax	57,934,219.28	54,218,175.79
Others	7,091,338.55	7,384,105.78
Total	1,349,662,765.82	1,096,415,083.87

54. Selling expenses

	2024	2023
Employee remunerations	1,019,743,425.85	963,842,420.46
Office expenses	385,043,802.09	430,858,992.16
Lease fee	69,988,667.27	52,828,199.75
Agency intermediary fee	422,696,104.41	484,722,970.07
Advertisement fee	361,918,362.45	396,028,812.61
Transportation and travel expenses	47,112,694.61	48,678,566.40
Others	26,820,283.59	20,997,863.43
Total	2,333,323,340.27	2,397,957,824.88

55. Administrative expenses

	2024	2023
Employee remunerations	3,121,384,620.47	2,769,479,413.32
Loss on shut down	1,092,044,931.12	909,332,728.59
Office expenses	995,433,031.10	1,022,055,187.21
Intermediary service fees	253,108,471.79	282,427,153.13
Utilities	97,578,542.17	79,108,961.69
Lease fee	78,933,267.79	119,759,753.82
Sewage and afforestation fees	50,525,053.39	31,532,024.73
Others	959,388,435.57	1,351,954,703.23
Total	6,648,396,353.40	6,565,649,925.72

The above-mentioned administrative expenses included the auditor's remuneration to Ernst & Young Hua Ming LLP for the audit of the annual report of the Company of RMB6,600,000.00 (tax inclusive) (2023: RMB6,800,000.00).

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

56. Research and development expenses

	2024	2023
Employee remunerations	381,289,458.79	329,795,897.34
Material and equipment cost	166,517,314.27	111,747,488.50
Others	118,087,831.84	88,627,733.09
Total	<u>665,894,604.90</u>	<u>530,171,118.93</u>

57. Finance costs

	2024	2023
Interest expense	4,053,324,558.47	3,946,386,499.61
Less: Interest income	210,204,723.33	267,644,276.41
Less: Amount of capitalized interest	1,113,624,012.42	1,540,777,371.18
Exchange gains	(15,058,309.02)	48,564,603.95
Handling charges	35,116,359.10	45,297,412.64
Others	47,693,969.61	43,652,069.41
Total	<u>2,797,247,842.41</u>	<u>2,275,478,938.02</u>

In 2024, the amount of capitalised borrowing costs has included in construction in progress of RMB6,358,691.32 (2023: RMB38,298,205.92), costs for properties under development of RMB1,007,740,128.35 (2023: RMB1,485,169,228.41) and investment properties of RMB99,525,192.75 (2023: RMB17,309,936.85).

58. Other gains

Government subsidies in relation to the ordinary activities are as follows:

	2024	2023	Related to assets/ gains
Refunds of VAT	261,176,997.92	279,883,875.61	Related to gains
Income from other subsidies	336,245,261.72	286,807,140.07	Related to assets/ gains
Grants of sale of heat	7,265,400.00	7,057,700.00	Related to gains
Total	<u>604,687,659.64</u>	<u>573,748,715.68</u>	

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS**
*(continued)***59. Investment gains**

	2024	2023
Gains from long-term equity investments under equity method	364,658,696.36	45,125,348.96
Investment gains from disposal of long-term equity investments	(32,286,225.12)	3,408,900.54
Investment gains from financial assets held for trading during the holding period	17,815,493.99	7,624,994.90
Dividend income from investment in other equity instruments on hand during the holding period	10,127,412.97	15,925,615.16
Interest income from debt investments during the holding period	44,335,930.60	55,376,727.74
Investment gains from disposal of financial assets held for trading	–	2,495,632.00
Investment gains from disposal of debt	610,318,847.54	(11,636,448.79)
Investment gains from disposal of other debt investments	–	7,998,755.53
Others	48,106,817.98	5,196,146.88
Total	1,063,076,974.32	131,515,672.92

During the year, the Group derecognized certain financial assets measured at amortized cost and recognized a net gain of RMB610,318,847.54, which were included in investment income.

60. Gains from changes in fair value

	2024	2023
Financial assets at fair value through profit or loss	62,817,196.38	96,188,098.03
Investment properties measured at fair value	675,683,117.79	1,070,554,842.76
Total	738,500,314.17	1,166,742,940.79

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

61. Credit impairment losses

	2024	2023
Losses on bad debts of bills receivables	(6,498,578.95)	(657,140.89)
Losses on bad debts of accounts receivable	(180,571,139.01)	159,452,046.34
Losses on bad debts of other receivables	(26,754,794.18)	(27,479,126.63)
Losses on bad debts of long-term receivables	(8,420,355.15)	(7,483,944.09)
Total	(222,244,867.29)	123,831,834.73

62. Asset impairment losses

	2024	2023
Losses on decline in value of inventory	939,944,867.62	1,720,255,885.12
Losses on impairment of contract assets	6,883,493.77	3,348,703.72
Losses on impairment of fixed assets	229,704,602.74	103,558,834.34
Losses on impairment of construction in progress	47,737.31	21,868,493.72
Losses on impairment of long-term equity investment	19,141,121.02	4,981,823.43
Prepayments	1,744,064.92	3,789,002.75
Losses on impairment of goodwill	17,000,000.00	–
Others	13,906,165.11	988,607.10
Total	1,228,372,052.49	1,858,791,350.18

63. Gains on disposal of assets

	2024	2023
Gains on disposal of fixed assets	809,569,676.43	22,641,273.77
Gains on disposal of intangible assets	388,595,013.84	1,066,751,642.71
Others	847,317.71	59,389,729.50
Total	1,199,012,007.98	1,148,782,645.98

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS**
*(continued)***64. Non-operating income**

	2024	2023	Recognised in non-recurring profit and loss for 2024
Gains on disposal of non-current assets	22,988,146.64	29,081,039.85	22,988,146.64
Net gains from fines	37,283,713.71	35,187,372.79	37,283,713.71
Relocation compensation/ government grants	6,592,261.88	12,157,182.19	6,592,261.88
Unpayable amounts	65,967,649.38	106,180,644.50	65,967,649.38
Others	282,383,730.76	137,759,109.97	282,383,730.76
Total	415,215,502.37	320,365,349.30	415,215,502.37

65. Non-operating expenses

	2024	2023	Recognised in non-recurring profit and loss for 2024
Losses on disposal of non-current assets	53,351,767.89	61,257,136.20	53,351,767.89
Including: Losses on disposal of fixed assets	53,351,710.18	61,257,136.20	53,351,710.18
Losses on disposal of other non-current assets	57.71	–	57.71
Abnormal losses	–	1,265,348.87	–
Losses on debt restructuring	5,889,992.62	–	5,889,992.62
Expenses on charity donation	871,822.47	17,100,506.17	871,822.47
Expenses on compensation, penalties and fines	72,771,838.87	40,365,219.87	72,771,838.87
Other expenses	208,833,631.59	56,360,880.27	208,833,631.59
Total	341,719,053.44	176,349,091.38	341,719,053.44

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

66. Expenses by nature

The supplemental information on the Group's operating costs, selling expenses, administrative expenses and R&D expenditure by nature is as follows:

	2024	2023
Consumption of raw materials	20,652,672,159.64	24,409,746,867.01
Procurement costs of tradable goods	40,659,469,563.59	39,030,799,667.91
Cost of sales of real estate	27,226,085,307.34	21,522,821,204.90
Changes in inventory of finished goods and work in progress	866,430,970.24	299,258,572.85
Employee remunerations	7,453,205,360.64	7,075,272,107.44
Depreciation and amortisation	5,376,939,110.23	5,247,662,597.45
Maintenance expenses	868,031,231.76	1,096,375,796.63
Fuel and energy costs	1,764,182,683.55	1,633,944,578.59
Transportation fee	1,206,359,352.17	2,067,050,122.40
Office expenses	1,426,292,023.26	1,452,914,179.37
Others	1,281,787,882.00	1,629,736,153.29
Total	108,781,455,644.42	105,465,581,847.84

67. Income tax expense

	2024	2023
Current income tax expense	1,316,374,269.28	904,579,365.86
Deferred income tax expense	673,934,025.80	683,213,872.30
Total	1,990,308,295.08	1,587,793,238.16

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS
*(continued)***67. Income tax expense** *(continued)*

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

	2024	2023
Total profit	456,099,365.93	300,386,736.67
Income tax expense at the statutory income tax rate	114,024,841.48	75,096,684.17
Effect of different tax rates applicable to subsidiaries	(54,931,798.37)	(20,498,878.35)
Effect of adjustments on the income tax of previous periods	8,161,127.20	(122,615,168.69)
Share of profits and losses of joint ventures and associates	(91,164,674.09)	(1,680,688.00)
Effect of income not subject to tax	(15,812,266.32)	(4,299,432.51)
Effect of non-deductible costs, expenses and losses	19,303,794.36	23,778,813.72
Effect of tax rate change on opening balance of deferred income tax	–	(31,809,684.46)
Effect of utilization of deductible losses on deferred income tax asset not recognized previously	(126,654,275.69)	(535,366,987.69)
Effect of deductible temporary difference or deductible losses on deferred income tax asset not recognized in the period	1,599,190,110.18	1,621,230,529.04
Reversal of deductible losses on deferred income tax asset previously recognized	550,108,288.23	583,128,103.87
Others	(11,916,851.90)	829,947.06
Income tax expense	1,990,308,295.08	1,587,793,238.16

68. Earnings per share

	2024 RMB/share	2023 RMB/share
Earnings		
Net profit for the year attributable to ordinary shareholders of the Company	(555,162,082.74)	25,262,828.59
Less: Interests on other equity instrument	1,084,474,591.48	882,597,950.00
Shares		
Weighted average number of ordinary shares in issue of the Company	10,677,771,134.00	10,677,771,134.00
Basic earnings per share – continuing operations	(0.15)	(0.08)

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

68. Earnings per share *(continued)*

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

The Company did not have potentially dilutive ordinary shares, and the diluted earning per share was consistent with basic earnings per share. For earnings per share (before deducting other equity instruments), please refer to Supplementary Information to Financial Statements 2.

69. Notes to items of statement of cash flows

(1) Cash related to operating activities

	2024	2023
Cash received from other operating activities		
Interest income received	165,740,799.12	350,525,239.10
Principal and interest on financing sale-leaseback	502,903,006.94	390,166,042.22
Deposits	3,092,922,304.96	–
Other current account	2,000,137,561.95	1,097,221,070.90
	<u>5,761,703,672.97</u>	<u>1,837,912,352.22</u>
Total		
Cash paid for other operating activities		
Selling and administrative expenses etc. paid	2,847,700,173.05	3,657,548,991.24
Principal on financing sale-leaseback	510,000,000.00	840,000,000.00
Deposit and other amounts paid	3,187,741,852.98	967,215,380.63
Other current accounts	3,543,241,643.54	1,860,510,623.59
	<u>10,088,683,669.57</u>	<u>7,325,274,995.46</u>
Total		

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS***(continued)***69. Notes to items of statement of cash flows** *(continued)***(2) Cash related to investing activities**

	2024	2023
Cash received from disposal of investments		
Redemption of wealth management products	1,370,484,462.42	2,679,154,124.60
Recovery of investment funds	1,564,310,952.19	627,340,596.61
Total	2,934,795,414.61	3,306,494,721.21
Cash paid for investments		
Payment for equity	243,733,203.59	2,244,341,602.26
Purchase of wealth management products	2,795,908,389.49	1,213,060,052.29
Total	3,039,641,593.08	3,457,401,654.55
Cash received from other investing activities		
Disposal of financial products such as short-term funds or bonds	204,055,576.88	–
Collection of the principal and interest of borrowings from associates	–	1,905,970,492.02
Collection of the principal and interest of borrowings from third parties	54,825,854.69	66,618,060.60
Total	258,881,431.57	1,972,588,552.62
Cash paid for other investing activities		
Payment of borrowings from associates	319,779,000.00	–
Payment of borrowings from third parties	195,000,000.00	88,851,000.00
Payment for trust products	180,000,000.00	–
Total	694,779,000.00	88,851,000.00

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

69. Notes to items of statement of cash flows *(continued)*

(3) Cash related to financing activities

	2024	2023
Cash received from other financing activities		
Borrowings received from minority shareholders	267,548,000.00	29,600,000.00
Equipment finance lease payments received	228,812,506.63	–
Recovery of deposits on bills	–	18,459,610.00
Total	496,360,506.63	48,059,610.00
Cash paid for other financing activities		
Repayment of borrowings of minority shareholders	128,865,341.03	1,127,559,645.37
Principal and interest of lease liabilities	229,684,177.00	204,485,186.32
Purchase of minority shareholders' interests and minority shareholders' withdrawal of investments	3,125,789,293.46	8,444,327,794.23
Repayment of external borrowings	220,420,450.42	96,910,898.48
Total	3,704,759,261.91	9,873,283,524.40

The changes in liabilities generated from financing activities are as follows:

	Opening balance	Increase during the year		Decrease during the year		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	29,527,007,127.21	29,652,851,871.37	457,629,962.21	31,302,326,511.65	–	28,335,162,449.14
Interest payable	45,330,789.42	–	2,848,049,241.36	2,872,233,837.00	21,146,193.78	–
Dividends payable	530,721,645.35	–	1,376,593,151.20	1,317,257,856.12	–	590,056,940.43
Long-term borrowings (including the portion due within one year)	46,054,823,969.71	28,298,684,102.54	915,095,468.47	14,538,273,195.80	–	60,730,330,344.92
Bonds payable (including the portion due within one year)	25,000,229,701.05	11,288,500,000.00	531,923,227.19	11,220,633,678.44	–	25,600,019,249.80
Lease liabilities (including the portion due within one year)	628,361,578.69	–	308,540,091.19	229,684,177.00	104,697,458.91	602,520,033.97
Short-term financing notes	6,018,292,602.73	6,000,000,000.00	26,458,630.14	6,018,292,602.73	–	6,026,458,630.14
Total	107,804,767,414.16	75,240,035,973.91	6,464,289,771.76	67,498,701,858.74	125,843,652.69	121,884,547,648.40

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS***(continued)***70. Supplemental information to statement of cash flows****(1) Supplemental information to statement of cash flows**

Reconciliation of net profit to cash flows from operating activities:

	2024	2023
Net losses	(1,534,208,929.15)	(1,287,406,501.49)
Add: Losses on credit impairment	(222,244,867.29)	123,831,834.73
Asset impairment losses	1,228,372,052.49	1,858,791,350.18
Depreciation of fixed asset	4,201,848,399.16	4,057,864,019.94
Depreciation of right-of-use assets	201,547,311.06	219,074,208.00
Amortisation of intangible assets	576,770,110.12	559,743,956.11
Amortisation of long-term deferred expenditures	396,773,289.88	410,980,413.40
Gains from disposal of fixed assets, intangible assets and other long-term assets	(1,258,844,710.09)	(1,260,877,030.85)
Losses on retirement of non-current assets	30,363,621.25	32,176,096.35
Gains from changes in fair value	(738,500,314.17)	(1,166,742,940.79)
Finance costs	2,898,072,246.88	2,393,250,430.44
Investment gains	(1,063,076,974.32)	(131,515,672.92)
Decrease in deferred income tax assets	558,126,401.97	375,186,290.62
Increase in deferred income tax liabilities	105,451,566.62	258,280,736.38
Decrease in inventories	11,687,186,450.60	11,732,586,287.51
(Increase)/decrease in operating receivables	(2,119,584,854.83)	1,518,860,836.50
Increase in operating payables	(20,264,143,123.68)	(12,553,313,673.98)
Net cash flows from operating activities	(5,316,092,323.50)	7,140,770,640.13

Net changes in cash and cash equivalents:

	2024	2023
Balance of cash at the end of the year	14,870,850,675.58	13,779,108,469.50
Less: Balance of cash equivalents at the beginning of the year	<u>13,779,108,469.50</u>	<u>9,775,406,159.73</u>
Net increase in cash and cash equivalents	<u>1,091,742,206.08</u>	<u>4,003,702,309.77</u>

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

70. Supplemental information to statement of cash flows *(continued)*

(2) Net cash from acquisition of subsidiaries and other operating units

	2024
Price for acquisition of subsidiaries and other operating units	902,296,979.72
Cash and cash equivalents received from subsidiaries and other operating units acquired during the year	2,531,588.30
Less: Cash and cash equivalents held by subsidiaries and other operating units acquired	<u>260,047,125.88</u>
Net cash paid for acquisition of subsidiaries and other operating units	<u>(257,515,537.58)</u>

(3) Net cash from disposal of subsidiaries and other operating units

	2024
Cash received from disposal of subsidiaries and other operating units during the year	383,978.00
Less: Disposal of cash and cash equivalent held by subsidiaries and other operating units	<u>15,486,532.57</u>
Decrease in net cash paid for disposal of subsidiaries and other operating units	<u>(15,102,554.57)</u>

(4) Composition of cash and cash equivalents

	2024	2023
Cash	14,870,850,675.58	13,779,108,469.50
Including: Cash on hand	232,400.43	447,812.31
Bank deposits on demand	<u>14,870,618,275.15</u>	<u>13,778,660,657.19</u>
Balance of cash and cash equivalents at the end of the year	<u>14,870,850,675.58</u>	<u>13,779,108,469.50</u>

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS**
(continued)**71. Foreign currency monetary items**

	31 December 2024			31 December 2023		
	Original currency	Exchange rate	As RMB	Original currency	Exchange rate	As RMB
Cash and bank balances						
USD	42,887,712.26	7.19	308,294,030.81	20,952,428.30	7.08	148,399,763.92
HKD	988,401.27	0.93	915,259.58	1,049,755.29	0.91	951,288.24
ZAR	178,699,457.34	0.38	68,692,071.40	47,012,040.30	0.38	17,953,898.19
EUR	729,744.14	7.53	5,491,835.47	702,102.84	7.86	5,517,966.64
Accounts receivable						
USD	1,261,228.36	7.19	9,066,213.94	46,344,510.71	7.08	328,244,266.01
Prepayments						
USD	60,633,025.58	7.19	435,834,910.20	-	-	-
ZAR	38,033.87	0.38	14,620.22	-	-	-
Bills receivable						
USD	33,855,530.56	7.19	243,367,095.88	-	-	-
Other receivables						
USD	40,661,789.85	7.19	292,293,210.16	39,003,522.25	7.08	276,250,247.04
HKD	24,000.00	0.93	22,224.00	24,000.00	0.91	21,748.80
Long-term receivables						
USD	-	7.19	-	19,123,448.00	7.08	135,445,645.15
ZAR	217,403,672.76	0.38	83,569,971.81	-	-	-
Total foreign currency monetary asset			<u>1,447,561,443.47</u>			<u>912,784,823.99</u>
Accounts payable						
USD	22,802,604.41	7.19	163,914,241.54	11,929,117.49	7.08	84,490,360.45
ZAR	43,140,922.67	0.38	16,583,370.67	42,990,922.67	0.38	16,418,233.37
Bills payable						
USD	82,470,200.45	7.19	592,828,788.91	65,698,225.55	7.08	465,320,822.10
Other payables						
USD	7,649.00	7.19	54,984.07	7,649.00	7.08	54,175.57
ZAR	21,558,287.57	0.38	8,287,005.74	18,890,870.18	0.38	7,214,423.32
Tax payable						
USD	80,142.00	7.19	576,220.98	653,299.00	7.08	4,627,120.83
HKD	-	-	-	300,955.00	0.91	272,725.42
ZAR	-	-	-	1,388,899.39	0.38	530,420.68
Total foreign currency monetary liabilities			<u>782,244,611.92</u>			<u>578,928,281.74</u>
Net foreign currency monetary assets/liabilities			<u>665,316,831.54</u>			<u>333,856,542.25</u>

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

72. Lease

(1) *As lessee*

	2024	2023
Interest expense of leasing liabilities	33,043,285.74	42,807,481.34
Expenses relating to short-term leases accounted for current profit or loss under the simplified approach	229,827,652.01	284,489,498.71
Lease expenses relating to low value asset accounted for current profit or loss under the simplified approach (other than short-term leases)	7,871,185.93	2,139,079.74
Variable lease payments that are not included in the measurement of the lease liabilities	4,699,263.07	–
Revenue from subleasing right-of-use assets	–	342,369.59
Total cash outflow for leases	<u>503,143,345.22</u>	<u>398,011,875.12</u>

(2) *As lessor*

Finance leases

The profit or loss relating to finance leases is as follows:

	2024	2023
Finance income on the net investment in the lease	<u>53,271,448.21</u>	<u>37,491,982.72</u>

According to the lease contracts entered into with lessees, the undiscounted minimum lease receivables are as follows:

	2024	2023
Within 1 year (inclusive of 1 year)	484,696,517.75	556,872,359.19
1 to 2 years (inclusive of 2 years)	455,346,700.56	413,348,568.66
2 to 3 years (inclusive of 3 years)	275,792,047.40	300,802,021.55
3 to 4 years (inclusive of 4 years)	106,501,626.16	76,504,133.81
4 to 5 years (inclusive of 5 years)	<u>69,389,795.93</u>	<u>45,684,452.16</u>
	1,391,726,687.80	1,393,211,535.37
Less: Unearned finance income	<u>126,358,465.84</u>	<u>118,354,167.74</u>
Net investment in the lease	<u>1,265,368,221.96</u>	<u>1,274,857,367.63</u>

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS*(continued)***72. Lease** *(continued)***(2) As lessor** *(continued)**Operating leases*

The profit or loss relating to operating leases is as follows:

	2024	2023
Rental income	1,860,756,951.50	1,789,665,562.58

According to the lease contracts entered into with lessees, the undiscounted minimum lease receivables are as follows:

	2024	2023
Within 1 year (inclusive of 1 year)	435,963,216.23	467,400,019.70
1 to 2 years (inclusive of 2 years)	408,836,049.31	416,833,467.44
2 to 3 years (inclusive of 3 years)	394,405,486.86	390,534,525.26
3 to 4 years (inclusive of 4 years)	593,620,953.18	553,001,837.18
4 to 5 years (inclusive of 5 years)	69,527,864.16	295,163,914.02
Over 5 years	71,543,044.30	392,842,169.45
Total	1,973,896,614.04	2,515,775,933.05

Please refer to Note V. 17 and Note V. 18 for details of investment properties and fixed assets leased under operating leases.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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VI. CHANGE IN SCOPE OF CONSOLIDATION

1. Business combinations not under common control

(1) Identifiable assets and liabilities of the acquired party on the acquisition date

	Date of equity acquisition	Cost of equity acquisition	Proportion of equity acquired (%)	Method of equity acquisition	Purchase date	Basis for determining the purchase date	Operating revenue of the acquiree from the purchase date to the end of the year	Net profit of the acquiree from the purchase date to the end of the year	Net cash flow of the acquiree from the purchase date to the end of the year
BBMG TUS Technology Incubator Co., Ltd.	21 June 2024	2,531,588.30	75.00	Cash	21 June 2024	Completion of the equity transfer	3,607,537.69	11,441.10	(6,376,900.99)

On 5 June 2024, Beijing BBMG Culture Technology Development Co., Ltd. (hereinafter referred to as "Culture Technology") signed an Equity Transfer Agreement with TUS Education Investment (Beijing) Co., Ltd. (hereinafter referred to as "TUS Education"). According to the agreement, Culture Technology agreed to purchase 25.00% equity interests in BBMG TUS Technology Incubator Co., Ltd. (hereinafter referred to as "TUS Incubator") held by TUS Education for a consideration of RMB2,531,588.30. As at 21 June 2024, the effective conditions stipulated in the above agreement were fulfilled. Culture Technology has made the payment according to the agreement and completed the relevant procedures for equity transfer and amendments to the articles of association. Cultural Technology previously held 50.00% of the equity interest in TUS Incubator, accounting for it as a joint venture. Starting from 21 June 2024, Cultural Technology acquired substantial control over TUS Incubator, holding 75.00% of its equity interests and becoming its controlling shareholder. According to the calculation based on the identifiable net assets on the acquisition date, the minority shareholders' equity was recognized to be RMB2,257,177.70.

Notes to Financial Statements (continued)

For the year ended 31 December 2024
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VI. CHANGE IN SCOPE OF CONSOLIDATION (continued)**1. Business combinations not under common control** (continued)**(1) Identifiable assets and liabilities of the acquired party on the acquisition date** (continued)

The fair value and carrying amount of identifiable assets and liabilities of TUS Incubator on the purchase date are as follows:

	Fair value on 21 June 2024	Carrying amount on 21 June 2024
Cash and bank balances	24,664,867.21	24,664,867.21
Accounts receivable	334,354.38	334,354.38
Prepayments	91,260.00	91,260.00
Other receivables	11,691.60	11,691.60
Other current assets	669,928.44	669,928.44
Investment in other equity instruments	128,138.43	1,000,000.00
Fixed assets	215,618.37	75,518.37
Long-term deferred expenditures	69,440.27	69,440.27
Deferred income tax assets	182,940.39	–
Accounts payable	(4,240.00)	(4,240.00)
Contract liabilities	(701,420.96)	(701,420.96)
Wages payable	12,364.00	12,364.00
Taxes payable	(5,314.38)	(5,314.38)
Other payables	(16,640,916.95)	(15,533,603.53)
Net assets	9,028,710.80	10,684,845.40
Less: Minority interests	2,257,177.70	
Net assets acquired	6,771,533.10	
Consideration paid	2,531,588.30	

	Date of equity acquisition	Cost of equity acquisition	Proportion of equity acquired (%)	Method of equity acquisition	Purchase date	Basis for determining the purchase date	Operating revenue of the acquiree from the purchase date to the end of the year	Net profit of the acquiree from the purchase date to the end of the year	Net cash flow of the acquiree from the purchase date to the end of the year
Tianjin Longda Health Consulting Service Co., Ltd. (天津市龍達健康諮詢服務有限公司)	5 January 2024	21,042,900.00	100.00	Cash	5 January 2024	Completion of the equity transfer	–	(5,796,088.34)	(315,920.46)

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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VI. CHANGE IN SCOPE OF CONSOLIDATION *(continued)*

1. Business combinations not under common control *(continued)*

(1) *Identifiable assets and liabilities of the acquired party on the acquisition date (continued)*

On 23 November 2023, Tianjin Building Materials Group (Holding) Co., Ltd. (hereinafter referred to as "Tianjin Building Materials") signed an Equity Transfer Agreement with Tianjin Jincheng State-Owned Capital Investment and Operation Co., Ltd. (hereinafter referred to as "Tianjin Jincheng"). According to the agreement, Tianjin Building Materials agreed to purchase 100.00% equity interests of Tianjin Longda Health Consulting Service Co., Ltd. (天津市龍達健康諮詢服務有限公司) (hereinafter referred to as the "Longda Consulting") held by Tianjin Jincheng for a consideration of RMB21,042,900.00. As of 5 January 2024, the effective conditions stipulated in the above agreement were fulfilled. Tianjin Building Materials has made the payment according to the agreement and completed the relevant procedures for equity transfer and amendments to the articles of association. Tianjin Building Materials began to have substantial control over Longda Consulting on 5 January 2024, holding 100.00% of its equity interests and becoming its controlling shareholder.

The fair value and carrying amount of identifiable assets and liabilities of Longda Consulting on the purchase date are as follows:

	Fair value on 5 January 2024	Carrying amount on 5 January 2024
Cash and bank balances	360,786.41	360,786.41
Accounts receivable	6,345.00	6,345.00
Other receivables	1,388.00	1,388.00
Inventories	141,786.00	136,764.00
Fixed assets	48,197,120.42	45,453,175.38
Intangible assets	80,027,695.62	80,187,879.46
Long-term deferred expenditures	2,277,600.00	2,277,600.00
Advances from customers	(16,600.00)	(16,600.00)
Wages payable	(12,055.75)	(12,055.75)
Other payables	(109,293,969.90)	(109,293,969.90)
Deferred income tax liabilities	(647,195.80)	-
Net assets	<u>21,042,900.00</u>	<u>19,101,312.60</u>
Consideration paid	<u>21,042,900.00</u>	

Notes to Financial Statements (continued)

For the year ended 31 December 2024
RMB

VI. CHANGE IN SCOPE OF CONSOLIDATION (continued)**1. Business combinations not under common control** (continued)**(1) Identifiable assets and liabilities of the acquired party on the acquisition date** (continued)

	Date of equity acquisition	Cost of equity acquisition	Proportion of equity acquired (%)	Method of equity acquisition	Purchase date	Basis for determining the purchase date	Operating revenue of the acquiree from the purchase date to the end of the year	Net profit of the acquiree from the purchase date to the end of the year	Net cash flow of the acquiree from the purchase date to the end of the year
Tianjin New Building Materials Architectural Design and Research Institute Co., Ltd. (天津市新型建材建築設計研究院有限公司)	5 January 2024	62,340,900.00	100.00	Cash	5 January 2024	Completion of the equity transfer	22,359,815.74	322,104.60	807,028.03

On 23 November 2023, Tianjin Building Materials signed an Equity Transfer Agreement with Tianjin Jincheng. According to the agreement, Tianjin Building Materials agreed to purchase 100% equity interests of Tianjin New Building Materials Architectural Design and Research Institute Co., Ltd. (天津市新型建材建築設計研究院有限公司) (hereinafter referred to as the "Institute") held by Tianjin Jincheng for a consideration of RMB62,340,900.00. As of 5 January 2024, the effective conditions stipulated in the above agreement were fulfilled. Tianjin Building Materials has made the payment according to the agreement and completed the relevant procedures for equity transfer and amendments to the articles of association. Tianjin Building Materials began to have substantial control over the Institute on 5 January 2024, holding 100.00% of its equity interests and becoming its controlling shareholder.

The fair value and carrying amount of identifiable assets and liabilities of the Institute on the purchase date are as follows:

	Fair value on 5 January 2024	Carrying amount on 5 January 2024
Cash and bank balances	9,023,906.55	9,023,906.55
Accounts receivable	6,342,464.75	5,618,893.76
Other receivables	55,680.00	55,680.00
Fixed assets	72,416,005.28	22,753,941.87
Intangible assets	–	3,548,937.30
Accounts payable	(4,620,445.15)	(4,620,445.15)
Wages payable	(996,509.99)	(996,509.99)
Other payables	(8,172,901.91)	(8,165,402.91)
Deferred income tax liabilities	(11,707,299.53)	–
Net assets	<u>62,340,900.00</u>	<u>27,219,001.43</u>
Consideration paid	<u>62,340,900.00</u>	

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

VI. CHANGE IN SCOPE OF CONSOLIDATION *(continued)*

1. Business combinations not under common control *(continued)*

(1) Identifiable assets and liabilities of the acquired party on the acquisition date *(continued)*

	Date of equity acquisition	Cost of equity acquisition	Proportion of equity acquired (%)	Method of equity acquisition	Purchase date	Basis for determining the purchase date	Operating revenue of the acquiree from the purchase date to the end of the year	Net profit of the acquiree from the purchase date to the end of the year	Net cash flow of the acquiree from the purchase date to the end of the year
Zhejiang Jinyu Hangjia Green Building Technology Co., Ltd. (浙江金隅杭加綠建科技有限公司)	3 April 2024	107,947,479.31	53.93	Equity swap	3 April 2024	Completion of the equity transfer	1,070,992,016.91	(19,525,859.14)	97,733,072.56

On 25 January 2024, BBMG New Building Materials Industrialization Group Co., Ltd. (hereinafter referred to as "Xincai Group") signed an Equity Transfer Agreement with Shanghai Fuchun Jianye Technology Co., Ltd. (hereinafter referred to as "Fuchun Jianye"), Zhejiang Hangjia Zetong Building Energy Saving New Material Co., Ltd. (now renamed as "Zhejiang Jinyu Hangjia Green Building Technology Co., Ltd.", hereinafter referred to as "Jinyu Hangjia Xincai"), Zhang Guobiao, Zhang Zhangsheng, Fuchun Holding Group Co., Ltd., Beijing Jinyu Aerated Concrete Co., Ltd. (hereinafter referred to as "Jinyu Aerated"), Shannxi Jinyu Aerated Assembly Parts Co., Ltd. (hereinafter referred to as "Shannxi Aerated") in relation to Jinyu Hangjia Xincai. According to the agreement, Xincai Group will acquire 53.93% equity interests in Jinyu Hangjia Xincai with its 100.00% equity interests in Jinyu Aerated and its 51% equity interests in Shaanxi Aerated as the consideration. As of 3 April 2024, the effective conditions stipulated in the above agreement were fulfilled. Xincai Group has completed the relevant procedures for equity transfer and amendments to the articles of association. Xincai Group began to have substantial control over Jinyu Hangjia Xincai on 3 April 2024, holding 53.93% of its equity interests and becoming its controlling shareholder.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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VI. CHANGE IN SCOPE OF CONSOLIDATION *(continued)***1. Business combinations not under common control** *(continued)***(1) Identifiable assets and liabilities of the acquired party on the acquisition date** *(continued)*

The fair value and carrying amount of identifiable assets and liabilities of Jinyu Hangjia Xincai on the purchase date are as follows:

	Fair value on 3 April 2024	Carrying amount on 3 April 2024
Cash and bank balances	19,713,483.24	19,713,483.24
Bills receivable	8,481,528.51	8,481,528.51
Accounts receivable	601,245,034.49	601,245,034.49
Accounts receivable financing	6,969,459.07	6,969,459.07
Prepayments	20,405,349.98	20,405,349.98
Other receivables	30,584,719.47	30,584,719.47
Inventories	121,005,902.49	135,868,956.83
Other current assets	29,635,798.01	29,635,798.01
Investment property	5,256,666.12	5,256,666.12
Fixed assets	1,172,105,477.65	1,096,415,290.43
Construction in progress	199,584,627.50	217,209,901.64
Right-of-use assets	1,298,934.19	1,298,934.19
Intangible assets	327,481,572.90	265,193,101.82
Long-term deferred expenditures	3,863,038.24	3,863,038.24
Deferred income tax assets	4,545,641.95	4,545,641.95
Other non-current assets	67,231,166.59	67,231,166.59
Short-term loans	(585,607,653.16)	(585,607,653.16)
Accounts payable	(620,178,415.08)	(620,178,415.08)
Advances from customers	(15,548,040.85)	(15,548,040.85)
Contract liabilities	(18,615,289.81)	(18,615,289.81)
Wages payable	(28,554,934.25)	(28,554,934.25)
Taxes payable	(6,650,512.06)	(6,650,512.06)
Other payables	(322,501,889.53)	(322,501,909.91)
Non-current liabilities due within one year	(8,837,000.00)	(8,837,000.00)
Other current liabilities	(8,830,016.99)	(8,830,016.99)
Long-term loans	(906,258,468.47)	(906,258,468.47)
Lease liabilities	(1,285,911.07)	(1,285,911.07)
Long-term payables	(33,235,658.45)	(33,235,658.45)
Deferred income tax liabilities	(19,243,893.48)	-
Net assets	<u>44,060,717.20</u>	<u>(42,185,739.52)</u>
Less: Minority interests	<u>21,469,891.93</u>	
Net assets acquired	<u>22,590,825.27</u>	
Goodwill on acquisition	<u>85,356,654.04</u>	
Consideration paid	<u>107,947,479.31</u>	

Notes to Financial Statements *(continued)*

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VI. CHANGE IN SCOPE OF CONSOLIDATION *(continued)*

1. Business combinations not under common control *(continued)*

(1) Identifiable assets and liabilities of the acquired party on the acquisition date *(continued)*

	Date of equity acquisition	Cost of equity acquisition	Proportion of equity acquired (%)	Method of equity acquisition	Purchase date	Basis for determining the purchase date	Operating revenue of the acquiree from the purchase date to the end of the year	Net profit of the acquiree from the purchase date to the end of the year	Net cash flow of the acquiree from the purchase date to the end of the year
Shuangyashan New Era Cement Co., Ltd. (雙鴨山新時代水泥有限公司)	31 December 2024	635,028,536.88	100.00	Cash	31 December 2024	Completion of the transfer of management authority	-	-	-

On 13 December 2024, Tangshan Jidong Cement Co., Ltd. signed an Equity Transfer Agreement with the shareholders of Shuangyashan New Era Cement Co., Ltd. (hereinafter referred to as “Shuangyashan New Era Cement”), to acquire 100.00% of the equity interests of Shuangyashan New Era Cement for a consideration of RMB635,028,536.88. On 31 December 2024, both parties signed the Management Rights Transfer Confirmation, completing the transfer of operational rights, financial documents, archival materials, and assets. They also carried out the necessary transfer procedures and amendments to the articles of association, thereby having control over Shuangyashan New Era Cement and becoming its controlling shareholder from that date.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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VI. CHANGE IN SCOPE OF CONSOLIDATION *(continued)***1. Business combinations not under common control** *(continued)***(1) Identifiable assets and liabilities of the acquired party on the acquisition date** *(continued)*

The fair value and carrying amount of identifiable assets and liabilities of Shuangyashan New Era Cement on the purchase date are as follows:

	Fair value on 23 December 2024	Carrying amount on 31 December 2024
Cash and bank balances	206,909,994.33	206,909,994.33
Accounts receivable	34,779,867.12	34,779,867.12
Accounts receivable financing	7,402,490.00	7,402,490.00
Prepayments	14,906.46	14,906.46
Other receivables	5,858,736.50	5,874,313.80
Inventories	46,097,058.27	46,097,058.27
Non-current assets due within one year	15,577.30	–
Fixed assets	418,390,174.96	190,286,444.83
Construction in progress	2,578,850.30	2,578,850.30
Right-of-use assets	169,611.38	169,611.38
Intangible assets	228,309,206.81	41,647,367.12
Long-term deferred expenditures	1,799,301.47	1,799,301.47
Deferred income tax assets	2,617,983.66	2,617,983.66
Accounts payable	(225,758,696.33)	(225,758,696.33)
Contract liabilities	(3,620,454.51)	(3,620,454.51)
Wages payable	(1,552,689.39)	(1,552,689.39)
Taxes payable	(10,472,137.33)	(10,472,137.33)
Other payables	(4,152,399.55)	(4,152,399.55)
Non-current liabilities due within one year	(3,373.32)	(3,373.32)
Other current liabilities	(470,659.09)	(470,659.09)
Lease liabilities	(177,769.33)	(177,769.33)
Estimated liabilities	(10,290,792.00)	(10,290,792.00)
Deferred income tax liabilities	(105,425,283.51)	(1,733,561.64)
Net assets acquired	<u>593,019,504.20</u>	<u>281,945,656.25</u>
Goodwill on acquisition	<u>42,009,032.68</u>	
Consideration paid	<u>635,028,536.88</u>	

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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VI. CHANGE IN SCOPE OF CONSOLIDATION *(continued)*

1. Business combinations not under common control *(continued)*

(1) Identifiable assets and liabilities of the acquired party on the acquisition date *(continued)*

	Date of equity acquisition	Cost of equity acquisition	Proportion of equity acquired (%)	Method of equity acquisition	Purchase date	Basis for determining the purchase date	Operating revenue of the acquiree from the purchase date to the end of the year	Net profit of the acquiree from the purchase date to the end of the year	Net cash flow of the acquiree from the purchase date to the end of the year
Wenxi Xinhaitian Concrete Co., Ltd. (闻喜鑫海天混凝土有限公司)	23 December 2024	20,930,544.85	100.00	Cash	23 December 2024	Completion of the transfer of management authority	-	-	-

On 6 December 2024, BBMG Corporation approved Jidong Cement Wenxi Company to acquire 100.00% equity interests of Wenxi Xinhaitian Concrete and Yuncheng Haixin Haitian Concrete. On 16 December 2024, Jidong Haitian Wenxi Company signed an Equity Transfer Agreement with Shanxi Xinhaitian Industrial Co., Ltd., to acquire 100.00% equity interests of Wenxi Xinhaitian Concrete for a consideration of RMB21,952,733.72. As of 23 December 2024, both parties completed the necessary transfer procedures and amendments to the articles of association. Jidong Cement Wenxi Company gained control over Wenxi Xinhaitian Concrete.

The fair value and carrying amount of identifiable assets and liabilities of Wenxi Xinhaitian Concrete Co., Ltd. on the purchase date are as follows:

	Fair value on 23 December 2024	Carrying amount on 23 December 2024
Cash and bank balances	193,527.63	193,527.63
Accounts receivable	13,574,985.10	12,422,414.15
Prepayments	31,451.36	31,451.36
Other receivables	182,697.73	62,351.95
Inventories	2,595,384.49	2,595,384.49
Fixed assets	4,106,646.68	2,987,791.07
Intangible assets	12,029,591.62	8,723,217.02
Accounts payable	(9,209,489.43)	(9,209,489.43)
Contract liabilities	(18,600.00)	(18,600.00)
Wages payable	(19,706.43)	(19,706.43)
Taxes payable	(68,079.53)	(68,079.53)
Other payables	(1,616,917.00)	(1,511,369.91)
Deferred income tax liabilities	(1,106,307.55)	-
Net assets acquired	<u>20,675,184.67</u>	<u>16,188,892.37</u>
Goodwill on acquisition	<u>255,360.18</u>	
Consideration paid	<u>20,930,544.85</u>	

Notes to Financial Statements (continued)

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VI. CHANGE IN SCOPE OF CONSOLIDATION (continued)**1. Business combinations not under common control** (continued)**(1) Identifiable assets and liabilities of the acquired party on the acquisition date** (continued)

	Date of equity acquisition	Cost of equity acquisition	Proportion of equity acquired (%)	Method of equity acquisition	Purchase date	Basis for determining the purchase date	Operating revenue of the acquiree from the purchase date to the end of the year	Net profit of the acquiree from the purchase date to the end of the year	Net cash flow of the acquiree from the purchase date to the end of the year
Yuncheng Haixin Haitian Concrete Co., Ltd. (<small>運城市海鑫海天混凝土有限公司</small>)	23 December 2024	47,960,674.98	100.00	Cash	23 December 2024	Completion of the transfer of management authority	-	-	-

The fair value and carrying amount of identifiable assets and liabilities of Yuncheng Haixin Haitian Concrete Co., Ltd. on the purchase date are as follows:

	Fair value on 23 December 2024	Carrying amount on 23 December 2024
Cash and bank balances	1,680,361.00	1,680,361.00
Accounts receivable	28,809.60	25,808.60
Prepayments	5,612.02	5,612.02
Other receivables	50,800.00	50,800.00
Inventories	1,327,605.17	1,378,253.49
Fixed assets	14,039,542.98	16,974,972.11
Intangible assets	31,685,434.75	8,669,380.11
Accounts payable	(943,195.23)	(943,195.23)
Wages payable	(4,555.38)	(4,555.38)
Taxes payable	(51,664.65)	(51,664.65)
Deferred income tax liabilities	(5,261,691.02)	(254,196.72)
Net assets acquired	<u>42,557,059.24</u>	<u>27,531,575.35</u>
Goodwill on acquisition	<u>5,403,615.74</u>	
Consideration paid	<u>47,960,674.98</u>	

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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VI. CHANGE IN SCOPE OF CONSOLIDATION *(continued)*

2. Disposal of subsidiaries

		Consideration for the disposal on the date of loss of control	Proportion of equity disposed on the date of loss of control (%)	Disposal method on the date of loss of control	Basis for determining the date of loss of control	Difference between consideration for the disposal and share of net assets of the subsidiary corresponding to the disposal of investment in the consolidated financial statement
Shandong Jidong Shengwei Building Materials Co., Ltd. (山東冀東勝 濰建材有限公司)	24 December 2024	383,978.00	51.00	Disposal	Transfer of control	(421,160.18)
Shenyang Landing Concrete Co., Ltd. (瀋陽藍鼎混 凝土有限公司)	18 March 2024	-	100.00	Handover to the bankruptcy administrator	The court ruled for bankruptcy administrator, and the company has transferred management authority to the bankruptcy administrator	12,124,199.43
Tianjin Haifeng Concrete Co., Ltd. (天津海豐混 凝土有限公司)	1 November 2024	-	100.00	Handover to the bankruptcy administrator	The court ruled for bankruptcy administrator, and the company has transferred management authority to the bankruptcy administrator	(25,666,776.43)
Jilin Jidong Weida Concrete Co., Ltd. (吉林市冀東 偉達混凝土有限 公司)	4 July 2024	-	50.00	Handover to the bankruptcy administrator	The court ruled for bankruptcy administrator, and the company has transferred management authority to the bankruptcy administrator	54,850,009.64

Notes to Financial Statements (continued)

For the year ended 31 December 2024
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VI. CHANGE IN SCOPE OF CONSOLIDATION (continued)**2. Disposal of subsidiaries** (continued)

	Proportion of the remaining equity on the date of loss of control (%)	Carrying value of the remaining equity in the consolidated financial statement on the date of loss of control	Fair value of the remaining equity in the consolidated financial statement on the date of loss of control	Gains or losses arising from the revaluation of the remaining equity at fair value	Method and key assumptions used to determine the fair value of the remaining equity in the consolidated financial statement on the date of loss of control	Difference between consideration for the disposal and share of net assets of the subsidiary corresponding to the disposal of investment in the consolidated financial statement	Amount of other comprehensive income related to the equity investment in the original subsidiary transferred to gains or losses on investment or retained earnings
Shandong Jidong Shengwei Building Materials Co., Ltd.	-	-	-	-	N/A	-	-
Shenyang Landing Concrete Co., Ltd.	-	-	-	-	N/A	-	-
Tianjin Haifeng Concrete Co., Ltd.	-	-	-	-	N/A	-	-
Jilin Jidong Weida Concrete Co., Ltd.	-	-	-	-	N/A	-	-

The relevant financial information of disposal of subsidiaries is set out as follows:

	Shandong Jidong Shengwei Building Materials Co., Ltd. 24 December 2024	Shenyang Landing Concrete Co., Ltd. 18 March 2024	Tianjin Haifeng Concrete Co., Ltd. 1 November 2024	Jilin Jidong Weida Concrete Co., Ltd. 4 July 2024
Current assets	-	11,087,211.69	44,926,920.36	18,457,939.99
Non-current assets	23,356,421.23	-	11,655,225.92	7,930,325.02
Current liabilities	(21,777,718.92)	(23,211,411.12)	(29,956,081.23)	(81,238,274.65)
Non-current liabilities	-	-	(959,288.62)	-

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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VI. CHANGE IN SCOPE OF CONSOLIDATION *(continued)*

3. Deregistration of subsidiaries

The Group deregistered 6 subsidiaries during the period. Information of these subsidiaries is as follows:

	Proportion of shareholding of parent company before deregistration	Reason for not being a subsidiary
Qinghe County BBMG Jidong Cement Co., Ltd. (清河縣金隅冀東水泥有限公司)	100.00%	Deregistration
Baotou BBMG Jidong Cement Marketing Co., Ltd. (包頭金隅冀東水泥營銷有限公司)	100.00%	Deregistration
Siping BBMG Cement Co., Ltd. (四平金隅水泥有限公司)	100.00%	Deregistration
BBMG Ligang (Tianjin) Real Estate Development Co., Ltd. (金隅麗港(天津)房地產開發有限公司)	100.00%	Deregistration
Beijing BBMG Cement Environmental Technology Co., Ltd. (北京金隅水泥環保工程技術有限公司)	100.00%	Absorption and merge
Laishui Jidong Development Building Materials Co., Ltd. (涑水冀東發展建材有限責任公司)	100.00%	Absorption and merge

4. Establishment of new subsidiaries

	Acquired method	Percentage of shareholding
Hebei Jinyu Jidong Supply Chain Co., Ltd. (河北金隅冀東供應鏈有限公司)	Establishment	100.00%
Henan Jinyu Jidong Supply Chain Co., Ltd. (河南金隅冀東供應鏈有限公司)	Establishment	100.00%
Beijing Yuxin Real Estate Development Co., Ltd. (北京隅新房地產開發有限公司)	Establishment	100.00%
Beijing Yutong Real Estate Co., Ltd. (北京隅通置業有限公司)	Establishment	100.00%
Beijing Xingfang New Building Materials Co., Ltd. (北京興房新型建材有限公司)	Establishment	100.00%
Shijiazhuang Jinyu Jinlong Concrete Co., Ltd. (石家莊金隅金龍混凝土有限公司)	Establishment	100.00%
Shijiazhuang Jinyu Lutong Concrete Co., Ltd. (石家莊金隅鹿砦混凝土有限公司)	Establishment	100.00%

Notes to Financial Statements (continued)

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VII. INTERESTS IN OTHER ENTITIES**1. Interests in the subsidiaries**

Information of the Company's major subsidiaries is as follows:

	Place of principal business/ registration	Business nature	Registered capital RMB0'000	Percentage of shareholding (%)	
				Direct	Indirect
Subsidiaries acquired through establishment or investment					
Beijing BBMG Concrete Co., Ltd. (北京金隅混凝土有限公司)	Beijing	Processing of commodity concrete, etc.	46,541.04	–	100.00
Handan BBMG Taihang Shangtong Technology Co., Ltd. (邯鄲金隅太行商砼科技有限公司)	Hebei	Manufacture and sale of concrete	6,600.00	–	100.00
Wei County BBMG Concrete Co., Ltd. (魏縣金隅混凝土有限公司)	Hebei	Manufacture and sale of concrete	1,000.00	–	92.00
Handan Hanshan BBMG Concrete Co., Ltd. (邯鄲市邯山金隅混凝土有限公司)	Hebei	Manufacture and sale of commercial concrete and crushed stone	3,000.00	–	92.00
Handan Jinyu Chenxiang Concrete Co., Ltd. (邯鄲金隅辰翔混凝土有限公司)	Hebei	Manufacture and sale of concrete	3,000.00	–	92.00
Beijing BBMG Coating Co., Ltd. (北京金隅塗料有限責任公司)	Beijing	Manufacture of coating; professional contracting	15,720.00	–	100.00
BBMG New Building Materials Industrialization Group Co., Ltd. (北京金隅新型建材產業化集團有限公司)	Beijing	Manufacture and sale of building materials	407,765.00	100.00	–
Beijing Sanchong Mirror Co., Ltd. (北京三重鏡業有限公司)	Beijing	Manufacture and sale of glass made spectacle lenses	5,766.00	–	100.00
Beijing Jinyu Energy-Saving Materials & Technology (Dachang) Co., Ltd. (北京金隅節能保溫科技(大廠)有限公司)	Hebei	Manufacture and sale of building materials	17,000.00	–	100.00
Beijing Jiandu Design and Research Institute Co., Ltd. (北京建都設計研究院有限責任公司)	Beijing	Design of modern building materials, etc.	6,000.00	–	100.00
Beijing Jinyu Aerated Concrete Co., Ltd. (北京金隅加氣混凝土有限責任公司)	Beijing	Manufacture and sale of aerated concrete products, etc.	10,000.00	–	100.00
Beijing BBMG Business and Trading Co., Ltd. (北京金隅商貿有限公司)	Beijing	Wholesale of building materials and metal materials, etc.	66,000.00	–	100.00
BBMG Mortar Co., Ltd. (北京金隅砂漿有限公司)	Beijing	Manufacture and sale of dry and mixed mortar	54,610.52	–	100.00
BBMG (Dachang) Modern Industrial Park Management Co., Ltd. (大廠金隅現代工業園管理有限公司)	Hebei	Manufacture of various modern building materials, etc.	98,528.00	–	100.00
Beijing BBMG Tiantan Furniture Co., Ltd. (北京金隅天壇家具股份有限公司) (Note 1)	Beijing	Manufacture, processing, and sale of furniture, etc.	40,818.28	–	97.81
BBMG Residential Industrialization (Tangshan) Co., Ltd. (金隅住宅產業化(唐山)有限公司)	Hebei	Manufacture and sale of building materials	35,000.00	–	100.00

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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VII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in the subsidiaries *(continued)*

Information of the Company's major subsidiaries is as follows: *(continued)*

	Place of principal business/ registration	Business nature	Registered capital RMB0'000	Percentage of shareholding (%)	
				Direct	Indirect
Subsidiaries acquired through establishment or investment <i>(continued)</i>					
Beijing Building Materials Academy Co., Ltd. (北京建築材料科學研究總院有限公司)	Beijing	Development, manufacture and sale of building materials, etc.	24,385.00	100.00	–
Beijing Building Materials Testing Academy Co., Ltd. (北京建築材料檢驗研究院股份有限公司) (Note 1)	Beijing	Testing for building material quality, etc.	12,380.75	39.43	50.40
Beijing BBMG Cement Environmental Protection Technology Co., Ltd. (北京金隅水泥環保工程技術有限公司)	Beijing	Construction general contracting and ecofriendly technology development, etc.	1,000.00	–	100.00
Beijing Concrete World Magazine Co., Ltd. (北京《混凝土世界》雜誌社有限公司)	Beijing	Releasing and publishing of Concrete World Magazine; advertising design and production	30.00	–	100.00
Beijing Dacheng Changrun Properties Limited (北京大成昌潤置業有限公司)	Beijing	Property development and operation	1,000.00	–	91.00
Beijing BBMG Konggang Development Co., Ltd. (北京金隅空港開發有限公司)	Beijing	Property development	10,000.00	–	95.00
BBMG Xingda Real Estate Development Co., Ltd. (北京金隅興大房地產開發有限公司)	Beijing	Property development and operation	109,500.00	–	100.00
Chongqing BBMG Dacheng Property Development Co., Ltd. (重慶金隅大成房地產開發有限公司)	Chongqing	Property development and consultation, etc.	20,000.00	–	100.00
Chongqing BBMG Dacheng Shanshui Real Estate Co., Ltd. (重慶金隅大成山水置業有限公司)	Chongqing	Property development and sale of housing, etc.	49,250.00	–	100.00
Chongqing Jinyu Dacheng New Metropolis Co., Ltd. (重慶金隅大成新都置業有限公司)	Chongqing	Real estate development; sale of commercial housing, etc.	150,000.00	–	100.00
Chengdu BBMG Dacheng Property Development Co., Ltd. (成都金隅大成房地產開發有限公司)	Sichuan	Property development, etc.	75,500.00	–	100.00
Chengdu BBMG Yuehuang Real Estate Co., Ltd. (成都金隅岳煌置業有限公司)	Sichuan	Property development	5,000.00	–	100.00
Shanghai BBMG Dacheng Property Development Co., Ltd. (上海金隅大成房地產開發有限公司)	Shanghai	Property development and operation, etc.	100,000.00	–	100.00
BBMG Jinghua Property Development Hefei Co., Ltd. (金隅京華房地產開發合肥有限公司)	Anhui	Property development	50,000.00	–	100.00
Ningbo BBMG Dacheng Property Development Co., Ltd. (寧波金隅大成房地產開發有限公司)	Zhejiang	Property development and operation, etc.	5,000.00	–	100.00

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**VII. INTERESTS IN OTHER ENTITIES** *(continued)***1. Interests in the subsidiaries** *(continued)*Information of the Company's major subsidiaries is as follows: *(continued)*

	Place of principal business/ registration	Business nature	Registered capital RMB0'000	Percentage of shareholding (%)	
				Direct	Indirect
Subsidiaries acquired through establishment or investment <i>(continued)</i>					
BBMG Jingyuan (Ningbo) Real Estate Development Co., Ltd. (金隅京遠(寧波)房地產開發有限公司)	Zhejiang	Property development	20,000.00	–	100.00
Beijing Longyuan Real Estate Development Co., Ltd. (北京隆源房地產開發有限公司)	Beijing	Property development and operation	116,100.00	–	100.00
Qingdao Jinyu Chuangzhi Real Estate Development Co., Ltd. (青島金玉創置房地產開發有限公司)	Shandong	Property development and operation	118,800.00	–	100.00
Tianjin Jinyu Jinli Real Estate Development Co., Ltd. (天津金隅津麗房地產開發有限公司)	Tianjin	Property development and operation	5,000.00	–	100.00
BBMG (Tianjin) Property Development Co., Ltd. (金隅(天津)房地產開發有限公司)	Tianjin	Property development and sale etc.	80,000.00	–	100.00
BBMG Jindian (Tianjin) Property Development Co., Ltd. (金隅津典(天津)房地產開發有限公司)	Tianjin	Property development and operation	257,800.00	–	100.00
Chengdu BBMG Jingfeng Real Estate Development Co., Ltd. (成都金隅京峰房地產開發有限公司)	Sichuan	Property development	5,000.00	–	100.00
Chengdu BBMG Wancheng Real Estate Development Co., Ltd. (成都金隅萬成房地產開發有限公司)	Sichuan	Property development	5,000.00	–	100.00
BBMG Jiahua Nanjing Real Estate Co., Ltd. (金隅嘉華南京置業有限公司)	Jiangsu	Property development	50,000.00	–	100.00
BBMG Real Estate Development (Hefei) Co., Ltd. (金隅房地產開發合肥有限公司)	Anhui	Property development and operation	45,000.00	–	100.00
BBMG Properties (Anhui) Co., Ltd. (金隅置業安徽有限公司)	Anhui	Property development and property management, etc.	81,500.00	–	100.00
Hefei BBMG Jingyun Real Estate Development Co., Ltd. (合肥金隅京韻房地產開發有限公司)	Anhui	Property development and operation	5,000.00	–	100.00
Tianjin Ershiyi Stations Testing Technology Co., Ltd. (天津市貳拾壹站檢測技術有限公司)	Tianjin	Inspection and identification of building materials products and construction engineering, inspection and identification technical services, etc.	3,000.00	–	100.00
Shaanxi Jinyu Energy-Saving Materials & Technology Co., Ltd. (陝西金隅節能保溫科技有限公司)	Shaanxi	Wholesale industry	12,000.00	–	100.00
Zhuxin (Hebei Xiong'an) Inspection and Testing Co., Ltd. (築信(河北雄安)檢驗檢測有限公司)	Hebei	Professional technical service industry	1,000.00	–	100.00

Notes to Financial Statements *(continued)*

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VII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in the subsidiaries *(continued)*

Information of the Company's major subsidiaries is as follows: *(continued)*

	Place of principal business/ registration	Business nature	Registered capital RMB0'000	Percentage of shareholding (%)	
				Direct	Indirect
Subsidiaries acquired through establishment or investment <i>(continued)</i>					
BBMG (Changzhou) Real Estate Development Co., Ltd. (金隅(常州)房地產開發有限公司)	Jiangsu	Property development and operation	10,000.00	–	100.00
BBMG Yuechao (Hangzhou) Real Estate Development Co., Ltd. (金隅悦潮(杭州)房地產開發有限公司)	Zhejiang	Property development and operation	58,418.15	–	100.00
BBMG Technology Innovation Co., Ltd. (北京金隅科技創新有限公司)	Beijing	Business service industry	1,000.00	–	100.00
Ningbo Yinzhou BBMG Property Management Co., Ltd. (寧波鄞州金隅物業管理有限責任公司)	Zhejiang	Real estate	100.00	–	100.00
Beijing BBMG Finance Lease Co., Ltd. (北京金隅融資租賃有限公司)	Beijing	Financial leasing	80,000.00	100.00	–
BBMG Tianjian Intelligent Logistics (Tianjin) Co., Ltd. (金隅天津智慧物流(天津)有限公司)	Tianjin	Road transportation	5,000.00	–	70.00
Hefei Jinzhongjinghu Real Estate Development Co., Ltd. (合肥金中京湖房地產開發有限公司)	Anhui	Business service industry	71,200.00	–	51.00
Beijing Jincheng Property Investment Co., Ltd. (北京金理置業有限公司)	Beijing	Property development and operation	1,000.00	–	100.00
Hebei Green Building Materials Product Quality Testing Co., Ltd. (河北省綠色建材產品品質檢測有限公司)	Hebei	Professional technical service industry	1,000.00	–	100.00
BBMG (Hangzhou) Property Development Co., Ltd. (金隅(杭州)房地產開發有限公司)	Zhejiang	Property development and operation	58,600.00	–	100.00
BBMG Jiaxing Nanjing Real Estate Development Co., Ltd. (金隅嘉星南京房地產開發有限公司)	Jiangsu	Property development	10,000.00	–	70.00
Beijing BBMG Dongcheng Real Estate Co., Ltd. (北京金隅東成置業有限公司)	Beijing	Property development	100,000.00	–	90.50
Qingdao BBMG Yangguang Property Development Co., Ltd. (青島金隅陽光房地產開發有限公司)	Shandong	Property development	60,000.00	–	100.00
BBMG China Railway Noble (Hangzhou) Property Development Co., Ltd. (金隅中鐵諾德(杭州)房地產開發有限公司)	Zhejiang	Property development and operation, etc.	50,000.00	–	51.00
Shanghai BBMG Jingcheng Property Development Co., Ltd. (上海金隅京成房地產開發有限公司)	Shanghai	Property development	27,200.00	–	100.00

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**VII. INTERESTS IN OTHER ENTITIES** (continued)**1. Interests in the subsidiaries** (continued)

Information of the Company's major subsidiaries is as follows: (continued)

	Place of principal business/ registration	Business nature	Registered capital RMB0'000	Percentage of shareholding (%)	
				Direct	Indirect
Subsidiaries acquired through establishment or investment (continued)					
BBMG GEM Real Estate Development Co., Ltd. (北京金隅嘉業房地產開發有限公司)	Beijing	Property development and operation, etc.	650,000.00	100.00	–
Beijing Jinyu Chaoxin Tiandi Property Investment Co., Ltd. (北京金隅朝新天地置業有限公司)	Beijing	Property development and property management, etc.	1,000.00	–	100.00
Beijing BBMG Changyang GEM Real Estate Development Co., Ltd. (北京金隅長陽嘉業房地產開發有限公司)	Beijing	Property development and operation, etc.	237,254.90	–	100.00
Beijing BBMG Property Investment Co., Ltd. (北京金隅房地產置業有限公司)	Beijing	Sale of self-developed commercial housing	5,000.00	–	70.00
Inner Mongolia BBMG Property Investment Co., Ltd. (內蒙古金隅置地投資有限公司)	Inner Mongolia	Property development and operation, etc.	20,000.00	–	100.00
Tangshan BBMG Julong Property Development Co., Ltd. (唐山金隅巨龍房地產開發有限公司)	Hebei	Property development and operation, etc.	5,000.00	–	80.00
Beijing BBMG Chengyuan Property Development Co., Ltd. (北京金隅程遠房地產開發有限公司)	Beijing	Property development and sale of commodity housing, etc.	45,944.06	–	100.00
Beijing Xisanqi High Tech New Building Material City Management and Development Co., Ltd. (北京西三旗高新建材城經營開發有限公司)	Beijing	Property rental and development, etc.	6,129.76	–	100.00
Beijing BBMG Innovation and Technology Incubator Co., Ltd. (北京金隅創新科技孵化器有限公司)	Beijing	Property management and technology enterprise incubating	170,000.00	100.00	–
BBMG Investment Property Management Co., Ltd. (北京金隅投資物業管理集團有限公司)	Beijing	Hotel management	177,000.00	100.00	–
Beijing BBMG Culture Technology Development Co., Ltd. (北京金隅文化科技發展有限公司)	Beijing	Technology development, transfer, consulting, service	3,000.00	–	68.00
BBMG Commercial Management Co., Ltd. (北京金隅商業管理有限公司)	Beijing	Business management	1,000.00	–	100.00
BBMG Property Management Co., Ltd. (北京金隅物業管理有限責任公司)	Beijing	Property management	5,000.00	–	100.00
Beijing Jinhaiyan Property Management Co., Ltd. (北京金海燕物業管理有限公司)	Beijing	Property management	1,370.00	–	100.00
Beijing Keshi Hardware Co., Ltd. (北京市科實五金有限責任公司)	Beijing	Manufacture of new products such as construction hardware	30,000.00	–	100.00
BBMG Fengshan Hot Spring Resort Co., Ltd. (北京金隅鳳山溫泉度假村有限公司)	Beijing	Accommodation and catering services, etc.	36,818.91	–	100.00
Beijing Jianji Asset Management Co., Ltd. (北京建機資產經營有限公司)	Beijing	Self-owned property rental, property management, etc.	78,732.78	–	100.00

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

VII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in the subsidiaries *(continued)*

Information of the Company's major subsidiaries is as follows: *(continued)*

	Place of principal business/ registration	Business nature	Registered capital RMB0'000	Percentage of shareholding (%)	
				Direct	Indirect
Subsidiaries acquired through establishment or investment <i>(continued)</i>					
Beijing BBMG Xinggang Technology Development Co., Ltd. (北京金隅興港科技發展有限公司)	Beijing	Manufacture and sales of aerated concrete pane	27,480.00	55.68	–
Beijing Woodworking Factory Co., Ltd. (北京市木材廠有限責任公司)	Beijing	Manufacture and sale of wood-based panels, etc.	50,443.00	100.00	–
BBMG Finance Co., Ltd. (北京金隅財務有限公司)	Beijing	Operation of finance business and financing advisory business, etc.	300,000.00	100.00	–
BBMG Finance Lease Co., Ltd. (金隅融資租賃有限公司)	Tianjin	Finance lease business	(USD)10,000.00	60.00	40.00
Beijing Tongda Refractory Engineering Technology Co., Ltd. (北京通達耐火工程技術有限公司)	Beijing	R&D and manufacture of various new refractory materials, etc.	5,000.00	–	100.00
Gongyi Tongda Zhongyuan Refractory Technology Co., Ltd. (鞏義通達中原耐火技術有限公司)	Henan	Manufacture and distribution of refractory materials, etc.	4,000.00	–	100.00
Yangquan BBMG Tongda Fire-resistant Materials Co., Ltd. (陽泉金隅通達高溫材料有限公司)	Shanxi	Manufacture and sale of refractory ceramic products, etc.	13,500.00	–	100.00
Cheng'an BBMG Taihang Concrete Co., Ltd. (成安金隅太行混凝土有限公司)	Hebei	Manufacture and sale of commodity concrete	2,500.00	–	100.00
Daming BBMG Taihang Concrete Co., Ltd. (大名縣金隅太行混凝土有限公司)	Hebei	Sales of concrete and mortar	1,000.00	–	100.00
Guantao BBMG Yuzhen Concrete Co., Ltd. (館陶縣金隅宇震混凝土有限公司)	Hebei	Sales of prefabricated part	1,000.00	–	100.00
Jinyu Han Chao (Hangzhou) Real Estate Development Co., Ltd. (金隅瀚潮(杭州)房地產開發有限公司)	Zhejiang	Property development and operation, etc.	5,000.00	–	100.00
Beijing Yucheng Real Estate Co., Ltd. (北京鈺理置業有限公司)	Beijing	Property development and operation, etc.	20,000.00	–	100.00
Beijing Jianyuan Hotel Co., Ltd. (北京市建苑賓館有限公司)	Beijing	Accommodation and catering services	1,000.53	–	100.00
BBMG Badaling Hot Spring Resort Co., Ltd. (北京金隅八達嶺溫泉度假村有限責任公司)	Beijing	Room rental	65,420.00	–	100.00
Beijing Chengyuan Real Estate Co., Ltd. (北京程遠置業有限公司)	Beijing	Property development	10,000.00	–	100.00
Tangshan Jinyu Tiancai Pipe Technology Co., Ltd. (唐山金隅天材管業科技有限責任公司)	Tianjin	Manufacturing and sales of steel and iron pipes	50,000.00	–	100.00
Huanbohai (Tianjin) International Economic and Trade Co., Ltd. (環渤海(天津)國際經貿有限公司)	Tianjin	Import or export of goods or technologies	20,000.00	–	100.00

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**VII. INTERESTS IN OTHER ENTITIES** *(continued)***1. Interests in the subsidiaries** *(continued)*Information of the Company's major subsidiaries is as follows: *(continued)*

	Place of principal business/ registration	Business nature	Registered capital RMB0'000	Percentage of shareholding (%)	
				Direct	Indirect
Subsidiaries acquired through establishment or investment <i>(continued)</i>					
Tianjin Jinyu Jinchun Real Estate Development Co., Ltd. (天津金隅津辰房地產開發有限公司)	Tianjin	Property development, etc.	50,000.00	–	100.00
Beijing BBMG Wangjing Real Estate Co., Ltd. (北京金隅望京置業有限公司)	Beijing	Property management	5,000.00	–	100.00
Beijing BBMG Hotel Management Co., Ltd. (北京金隅酒店管理有限公司)	Beijing	Hotel management	1,000.00	–	100.00
Chengde BBMG Real Estate Development Co., Ltd. (承德金隅房地產開發有限公司)	Hebei	Property development and operation	5,000.00	–	100.00
Ningbo BBMG Jingsheng Real Estate Development Co., Ltd. (寧波金隅晟房地產開發有限公司)	Zhejiang	Property development and operation, etc.	96,000.00	–	100.00
Shaanxi Jinyu Aerated Assembly Parts Co., Ltd. (陝西金隅加氣裝配式部品有限公司)	Shaanxi	Manufacture and sale of aerated concrete products, etc.	21,628.93	–	100.00
Beijing Yutai Real Estate Development Co., Ltd. (北京隅泰房地產開發有限公司)	Beijing	Property development and operation, etc.	98,668.00	–	60.00
Nanjing Jinjarui Real Estate Development Co., Ltd. (南京金嘉瑞房地產開發有限公司)	Jiangsu	Property development and operation, etc.	10,000.00	–	34.00
Zanhuang BBMG Cement Co., Ltd. (贊皇金隅水泥有限公司)	Hebei	Manufacture and sales of cement and clinker	70,000.00	–	100.00
BBMG Cement Trading Co., Ltd. (北京金隅水泥經貿有限公司)	Beijing	Wholesale of cement and cement products, etc.	50,000.00	–	100.00
Beijing BBMG International Supply Chain Service Co., Ltd. (北京金隅國際供應鏈服務有限公司)	Beijing	Supply chain management services, etc.	130,000.00	–	100.00
Chongqing Jinyu Xintuo Hotel Management Co., Ltd. (重慶金隅新拓酒店管理有限公司)	Chongqing	Accommodation services, etc.	10,000.00	–	100.00
Nanjing Jinjiazhuo Decoration Co., Ltd. (南京金嘉卓裝飾有限公司)	Jiangsu	Building decoration and decoration services, etc.	200.00	–	34.00
Beijing Yuyang Real Estate Development Co., Ltd. (北京隅陽房地產開發有限公司)	Beijing	Property development and operation	10,000.00	–	100.00

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

VII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in the subsidiaries *(continued)*

Information of the Company's major subsidiaries is as follows: *(continued)*

	Place of principal business/ registration	Business nature	Registered capital RMB0'000	Percentage of shareholding (%)	
				Direct	Indirect
Subsidiaries acquired through establishment or investment					
<i>(continued)</i>					
Beijing BBMG Xisanqi Intelligent Manufacturing Workshop Management Co., Ltd. (北京金隅西三旗智造工場管理有限公司)	Beijing	Rental, park management services, conference and exhibition services, etc.	100.00	100.00	–
Beijing BBMG Intelligent Manufacturing Workshop Management Co., Ltd. (北京金隅智造工場管理有限公司)	Beijing	Rental, park management services, conference and exhibition services, etc.	100.00	100.00	–
Beijing Nanyuan Jiasheng Real Estate Co., Ltd. (北京南苑嘉盛置業有限公司)	Beijing	Real estate	60,000.00	–	100.00
Shanghai BBMG Jingpu Real Estate Development Co., Ltd.	Shanghai	Real estate	256,500.00	–	100.00
Liaoning Jinzhong New Material Industry Group Co., Ltd. (遼寧金中新材料產業集團有限公司)	Liaoning	Road transportation	180,000.00	50.00	–
Jinyu Energy-saving Technology (Tianjin) Co., Ltd. (金隅節能科技(天津)有限公司)	Tianjin	Manufacture of chemical raw materials and chemical products	10,000.00	–	100.00
Shanghai Jinyu Jingyang Real Estate Development Co., Ltd. (上海金隅京揚房地產開發有限公司)	Shanghai	Real estate development and operation, residential interior decoration	10,000.00	–	100.00
Suzhou Jinbaoyue Real Estate Development Co., Ltd. (蘇州金保悅房地產開發有限公司)	Jiangsu	Real estate development and operation	150,000.00	–	60.00
Hebei Jinyu Jidong Supply Chain Co., Ltd. (河北金隅冀東供應鏈有限公司)	Hebei	Sales of building materials; sales of cement products, etc.	10,000.00	–	100.00
Henan Jinyu Jidong Supply Chain Co., Ltd. (河南金隅冀東供應鏈有限公司)	Henan	Supply chain management services; sales of building materials, etc.	5,000.00	–	100.00
Beijing Yuxin Real Estate Development Co., Ltd. (北京隅新房地產開發有限公司)	Beijing	Real estate development and operation, residential interior decoration	10,000.00	–	100.00

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

VII. INTERESTS IN OTHER ENTITIES *(continued)***1. Interests in the subsidiaries** *(continued)*

Information of the Company's major subsidiaries is as follows: *(continued)*

	Place of principal business/ registration	Business nature	Registered capital RMB0'000	Percentage of shareholding (%)	
				Direct	Indirect
Subsidiaries acquired through establishment or investment <i>(continued)</i>					
Beijing Yutong Real Estate Co., Ltd. (北京隅通置業有限公司)	Beijing	Real estate development and operation	40,000.00	–	100.00
Beijing Xingfang New Building Materials Co., Ltd. (北京興房新型建材有限公司)	Beijing	Manufacturing of cement products; leasing of machinery and equipment, etc.	3,000.00	–	100.00
Shijiazhuang Jinyu Jinlong Concrete Co., Ltd. (石家莊金隅金龍混凝土有限公司)	Hebei	Manufacturing of cement products; sales of cement products, etc.	3,000.00	–	100.00
Shijiazhuang Jinyu Lutong Concrete Co., Ltd. (石家莊金隅鹿砦混凝土有限公司)	Hebei	Manufacturing of cement products; sales of cement products, etc.	3,000.00	–	100.00

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

VII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in the subsidiaries *(continued)*

Information of the Company's major subsidiaries is as follows: *(continued)*

	Place of principal business/ registration	Business nature	Registered capital RMB0'000	Percentage of shareholding (%)	
				Direct	Indirect
Subsidiaries acquired in business combination not under common control					
Tianjin BBMG Concrete Co., Ltd. (天津金隅混凝土有限公司)	Tianjin	Concrete project construction and manufacturing, etc.	39,590.51	–	100.00
Beijing BBMG Xingfa Science and Technology Co., Ltd. (北京金隅興發科技有限公司)	Beijing	Manufacture of cement and clinker, etc.	131,500.00	95.70	–
Jinyu Jingtí (Beijing) Sports Culture Co., Ltd. (金隅京體(北京)體育文化有限公司)	Beijing	Project operation of sports	300.00	66.67	–
Beijing Doors and Windows Co., Ltd. (北京市門窗有限公司)	Beijing	Manufacture and process of plastics-steel doors and windows	100.00	100.00	–
Guantao BBMG Taihang Concrete Co., Ltd. (館陶縣金隅太行混凝土有限公司)	Hebei	Manufacture and sale of commodity concrete	4,000.00	–	100.00
Jidong Development Group Co., Ltd. (冀東發展集團有限責任公司)	Hebei	Building materials industry	247,950.41	55.00	–
Tangshan Jidong Cement Co., Ltd. (唐山冀東水泥股份有限公司) (Note 1)	Hebei	Manufacture and sales of cement, clinker, relevant building materials and cement equipment, etc.	265,821.28	44.34	17.22
Jidong Sand Gravel Aggregate Co., Ltd. (冀東砂石骨料有限公司)	Hebei	Aggregate	25,000.00	–	100.00
Tangshan High Voltage Porcelain Insulator Co., Ltd. (唐山高壓電瓷有限公司)	Hebei	Manufacture and sales of high voltage porcelain insulator	38,000.00	–	100.00
Hebei Building Material Industry Design & Research Institution (河北省建築材料工業設計研究院有限公司)	Hebei	Building materials industry engineering design	4,500.00	–	100.00
Tangshan Qixin Cement Industry Museum (唐山啟新水泥工業博物館)	Hebei	Cultural relic collection and exhibition to promote national culture, etc.	15,624.00	–	100.00
Tangshan Qixin Jiyi Property Services Co., Ltd. (唐山啟新記憶物業服務有限公司)	Hebei	Property service, retail of daily necessities, etc.	500.00	–	100.00
Tangshan Jidong Equipment & Engineering Co., Ltd. (唐山冀東裝備工程股份有限公司) (Note 1)	Hebei	Machinery equipment and spare parts and civil installation	22,700.00	–	30.00
Tangshan Jidong Development Machinery and Equipment Manufacturing Co., Ltd. (唐山冀東發展機械設備製造有限公司)	Hebei	Manufacture and sales of machinery equipment and accessories	97,000.00	–	100.00

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**VII. INTERESTS IN OTHER ENTITIES** (continued)**1. Interests in the subsidiaries** (continued)

Information of the Company's major subsidiaries is as follows: (continued)

	Place of principal business/ registration	Business nature	Registered capital RMB0'000	Percentage of shareholding (%)	
				Direct	Indirect
Subsidiaries acquired in business combination not under common control (continued)					
Jinyu Rizhang Fan Energy-Conserving Technology (Hebei) Co., Ltd. (formerly known as Jidong Rizhang Energy-Conserving Fan Manufacture Co., Ltd.) (金隅日彰風機節能科技(河北)有限公司(曾用名:冀東日彰節能風機製造有限公司))	Hebei	State-owned enterprise (machinery manufacturing industry)	21,400.00	–	100.00
Tangshan Jidong Development Construction Technology Co., Ltd. (formerly known as Tangshan Jidong Development Yan Dong Construction Co., Ltd.) (唐山冀東發展建設科技有限公司(曾用名:唐山冀東發展燕東建設有限公司))	Hebei	Construction industry	50,000.00	–	59.00
Jidong Development International Trading Co., Ltd. (冀東發展集團國際貿易有限公司)	Beijing	Import and export and bulk commodity trade	63,000.00	–	100.00
Jidong Development (HK) International Co., Ltd. (冀東發展(香港)國際有限公司)	Hong Kong	Commodities trading	(USD) 2,000.00	–	100.00
Tangshan Dunshi Real Estate Development Co., Ltd. (唐山盾石房地產開發有限公司)	Hebei	Real estate	87,500.00	–	100.00
Tangshan Jidong Cement Nanhu Property Development Co., Ltd. (唐山冀東水泥南湖房地產開發有限公司)	Hebei	Real estate	75,000.00	–	100.00
Tangshan Jidong Property Services Co., Ltd. (唐山冀東物業服務有限公司)	Hebei	Property service	300.00	–	100.00
Huawai Wind Power Development Co., Ltd. (華海風能發展有限公司)	Hebei	Wind power equipment manufacturing	15,000.00	–	100.00
Tangshan Qixin Building Materials Co., Ltd. (唐山啟新建材有限責任公司)	Hebei	Manufacture of cement and cement products	16,747.00	–	100.00
Tangshan Qixin Cement Co., Ltd. (唐山啟新水泥有限公司)	Hebei	Manufacture of limestone, cement and cement clinker, etc.	23,544.00	–	100.00
Jidong Development Group Tangshan Xinxing Knitting Co., Ltd. (冀東發展集團唐山新星針織有限公司)	Hebei	Knitting processing	915.98	–	100.00
BBMG Jidong Caofeidian Supply Chain Management Co., Ltd. (金隅冀東曹妃甸供應鏈管理有限公司)	Hebei	Supply chain management service	20,000.00	–	90.00

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

VII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in the subsidiaries *(continued)*

Information of the Company's major subsidiaries is as follows: *(continued)*

	Place of principal business/ registration	Business nature	Registered capital RMB0'000	Percentage of shareholding (%)	
				Direct	Indirect
Subsidiaries acquired in business combination not under common control <i>(continued)</i>					
Tangshan Jinyu Dunshi Real Estate Development Co., Ltd. (唐山金隅盾石房地產開發有限公司)	Hebei	Real estate development and operation and property management services	35,000.00	–	100.00
China-Africa Jidong Building Materials Investment Co., Ltd. (中非冀東建材投資有限責任公司)	Hebei	Investment in building materials industry	29,830.00	–	100.00
Tianjin Building Materials Group (Holding) Co., Ltd. (天津市建築材料集團(控股)有限公司)	Tianjin	Manufacture and sales of building and decorative materials, etc.	508,222.35	55.00	–
Tianjin Jianyu Energy Development Co., Ltd. (天津建宇能源發展有限公司)	Tianjin	Building materials and commerce and logistics	20,000.00	–	51.00
Tianjin Tiancai Hengye Building Materials Co., Ltd. (天津天材恆業建築材料有限責任公司)	Tianjin	Building materials and commerce and logistics	16,526.32	–	100.00
Huanbohai Jin'an (Tianjin) Group Holding Co., Ltd. (環渤海金岸(天津)集團股份有限公司) (Note 1)	Tianjin	Property investment management	19,634.40	–	51.66
Tianjin Xincai Property Development Co., Ltd. (天津市新材房地產開發有限公司)	Tianjin	Real estate	32,549.81	–	100.00
Tianjin Cement Stone Mine Co., Ltd. (天津市水泥石礦有限公司)	Tianjin	Cement and ready-mixed concrete	119,937.67	–	100.00
Tianjin Tiancai Xingchen Building Material Co., Ltd. (天津市天材興辰建材有限公司)	Tianjin	Property investment management	42,798.30	–	100.00
Tianjin Stone Mine Co., Ltd. (天津市石礦有限公司)	Tianjin	Property investment management	44,081.24	–	100.00
Beijing Bengpu Construction Machinery Operation Co., Ltd. (北京泵普建築機械施工有限責任公司)	Beijing	Professional contracting; construction general contracting	6,450.00	–	100.00
Tianjin Binhai New Area Haoyu Investment Co., Ltd. (天津濱海新區昊昱投資有限公司)	Tianjin	Real estate development and operation; property management	10,000.00	–	100.00
Beijing Mingzhu Glass Products Co., Ltd. (北京明珠琉璃製品有限公司)	Beijing	Manufacturing, design and installment of glass products	50.00	–	100.00
Jinyu Concrete Group Co., Ltd. (formerly known as Jinyu Jidong (Tangshan) Concrete Environmental Protection Technology Group Co., Ltd.) (金隅混凝土集團有限公司(曾用名:金隅冀東(唐山)混凝土環保科技集團有限公司))	Hebei	Manufacturing and sale of concrete and concrete-based products	401,584.26	55.00	45.00

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**VII. INTERESTS IN OTHER ENTITIES** *(continued)***1. Interests in the subsidiaries** *(continued)*Information of the Company's major subsidiaries is as follows: *(continued)*

	Place of principal business/ registration	Business nature	Registered capital RMB0'000	Percentage of shareholding (%)	
				Direct	Indirect
Subsidiaries acquired in business combination not under common control <i>(continued)</i>					
Beijing Jidong Haiqiang Concrete Co., Ltd. (北京冀東海強混凝土有限公司)	Beijing	Ready-mix commodity concrete, etc.	2,980.00	–	70.00
Beijing Hanxin Concrete Co., Ltd. (北京韓信混凝土有限公司)	Beijing	Production of concrete, etc.	4,509.97	–	70.00
Beijing Hengkun Concrete Co., Ltd. (北京恆坤混凝土有限公司)	Beijing	Special goods transportation (in tank), etc.	15,000.00	–	100.00
Tianjin Jidong Haifeng Concrete Co., Ltd. (天津冀東海豐混凝土有限公司)	Tianjin	Wholesale and retail of commodity concrete, etc.	2,500.00	–	100.00
Tianjin Jidong Jinpujiye Concrete Co., Ltd. (天津冀東津璞基業混凝土有限公司)	Tianjin	Processing, sales and pouring of ready-mixed concrete, etc.	4,405.00	–	100.00
Jidong Concrete (Tianjin) Co., Ltd. (冀東混凝土(天津)有限公司)	Tianjin	Production, processing and sale of ready-mixed concrete, etc.	6,520.00	–	100.00
Tangshan Jidong Cement Xujian Concrete Co., Ltd. (唐山冀東水泥胥建混凝土有限公司)	Hebei	Production of ready-mixed concrete, etc.	3,500.00	–	70.00
Tangshan Qianxi Jidong Concrete Co., Ltd. (唐山遷西冀東混凝土有限公司)	Hebei	Production of commodity concrete etc.	1,200.00	–	100.00
Tangshan Jidong Xingang Concrete Co., Ltd. (唐山冀東新港混凝土有限公司)	Hebei	Manufacture and sale of commodity concrete, etc.	3,360.00	–	100.00
Chengde Jidong Hengsheng Concrete Co., Ltd. (承德冀東恆盛混凝土有限公司)	Hebei	Construction equipment templates lease, etc.	2,000.00	–	100.00
Hohhot Jidong Cement Concrete Co., Ltd. (呼和浩特市冀東水泥混凝土有限公司)	Inner Mongolia	Special goods transportation (in tanks)	6,000.00	–	100.00

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

VII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in the subsidiaries *(continued)*

Information of the Company's major subsidiaries is as follows: *(continued)*

	Place of principal business/ registration	Business nature	Registered capital RMB0'000	Percentage of shareholding (%)	
				Direct	Indirect
Subsidiaries acquired in business combination not under common control <i>(continued)</i>					
Jilin Jidong Concrete Co., Ltd. (吉林市冀東混凝土有限公司)	Jilin	Production of concrete components and products, etc.	2,000.00	–	100.00
Chongqing Jushi New Building Materials Co., Ltd. (重慶鉅實新型建材有限公司)	Chongqing	Class III Qualification for ready mixed commodity concrete professional contracting, etc.	2,100.00	–	100.00
Xinxingzhan (Chongqing) Building Materials Co., Ltd. (新興棧(重慶)建材有限公司)	Chongqing	Manufacture and sale of commodity concrete	7,563.07	–	100.00
Jidong Cement (Chongqing) Concrete Co., Ltd. (冀東水泥重慶混凝土有限公司)	Chongqing	Special goods transportation (in tank), etc.	3,000.00	–	100.00
Baoji Jidong Dunshi Concrete Co., Ltd. (寶雞冀東盾石混凝土有限公司)	Shaanxi	Ready-mixed concrete and pouring projects, etc.	6,000.00	–	100.00
Shenzhou Jidong Concrete Co., Ltd. (深州冀東混凝土有限責任公司)	Hebei	Manufacture and sales of ready mixed commercial concrete, etc.	3,000.00	–	100.00
Datong Dunshi Concrete Co., Ltd. (大同盾石混凝土有限公司)	Shanxi	Sales and transportation of ready mixed concrete, etc.	3,600.00	–	100.00
Datong Jinlong Commodity Concrete Co., Ltd. (大同市金龍商品混凝土有限責任公司)	Shanxi	Sales and transportation of ready mixed concrete, etc.	3,000.00	–	100.00
Changchun Jidong Cement & Concrete Co., Ltd. (長春冀東水泥混凝土有限公司)	Jilin	Production of concrete, etc.	3,000.00	–	100.00
Huanghua BBMG Jidong Concrete Co., Ltd. (黃驊金隅冀東混凝土有限公司)	Hebei	Sales and transportation of ready mixed concrete, etc.	2,500.00	–	100.00
Cangzhou Lingang BBMG Jidong Concrete Co., Ltd. (滄州臨港金隅冀東混凝土有限公司)	Hebei	Sales and transportation of ready mixed concrete, etc.	2,500.00	–	100.00
Shijiazhuang BBMG Concrete Co., Ltd. (石家莊金隅混凝土有限公司)	Hebei	Sales and transportation of ready mixed concrete, etc.	20,000.00	–	100.00
Tianjin Binhai BBMG Concrete Co., Ltd. (天津濱海金隅混凝土有限公司)	Tianjin	Manufacturing and sale of cement based products, etc.	12,000.00	–	100.00
Jiayu Shangpin Property Management (Tianjin) Co., Ltd. (嘉隅尚品物業管理(天津)有限公司)	Tianjin	Property management, etc.	1,000.00	–	100.00
Hebei BBMG Dingxin Cement Co., Ltd. (河北金隅鼎鑫水泥有限公司)	Hebei	Manufacture and sales of cement and clinker, etc.	131,700.00	–	100.00
Jinyu Thermal Processing Tangshan Co., Ltd. (金隅熱加工唐山有限公司)	Hebei	Ferrous metal casting and sales of metal structure, etc.	39,125.00	–	85.00

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**VII. INTERESTS IN OTHER ENTITIES** *(continued)***1. Interests in the subsidiaries** *(continued)*Information of the Company's major subsidiaries is as follows: *(continued)*

	Place of principal business/ registration	Business nature	Registered capital RMB0'000	Percentage of shareholding (%)	
				Direct	Indirect
Subsidiaries acquired in business combination not under common control <i>(continued)</i>					
Beijing BBMG Decoration Engineering Co., Ltd. (北京金隅裝飾工程有限公司)	Beijing	Construction and design of construction work and sales of building decoration materials, etc.	5,882.35	–	100.00
Beijing Huanke Environmental Protection Technology Co., Ltd. (北京環科環保技術有限公司)	Beijing	Sales of environmental protection equipment, pollution treatment and technical services, etc.	1,574.16	–	100.00
Beijing Jingcai Talent Development Center Co., Ltd. (北京京才人才開發中心有限公司)	Beijing	Human resources services, labor dispatch and intermediary services for studying abroad, etc.	12,953.80	100.00	–
Beijing Wuhu Sihai Human Resources Co., Ltd. (北京五湖四海人力資源有限公司)	Beijing	Human resources services, information consultation services, etc.	440.00	–	100.00
Handan Dongfang Risheng Commercial Concrete Co., Ltd. (邯鄲市東方日盛商品混凝土有限公司)	Hebei	Manufacture and sale of concrete	2,500.00	–	90.00
Beijing Jingu Zhitong Lulian Technology Co., Ltd. (北京金谷智通綠鏈科技有限公司)	Beijing	Logistics information technology development; logistics data technology services, etc.	15,333.33	–	85.00
Handan BBMG Taihang Cement Co., Ltd. (邯鄲金隅太行水泥有限責任公司)	Hebei	Cement manufacturing	66,434.29	–	92.04
Laishui BBMG Jidong Environmental Protection Technology Co., Ltd. (涑水金隅冀東環保科技有限公司)	Hebei	Ecofriendly technology development, technical services, technical consultation; solid waste treatment, etc.	37,000.00	–	100.00
Shaanxi Qinhan Hengsheng New Building Materials Technology Co., Ltd. (陝西秦漢恆盛新型建材科技有限責任公司)	Shaanxi	Non-metallic mineral products industry	10,000.00	–	51.00

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

VII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in the subsidiaries *(continued)*

Information of the Company's major subsidiaries is as follows: *(continued)*

	Place of principal business/ registration	Business nature	Registered capital RMB0'000	Percentage of shareholding (%)	
				Direct	Indirect
Subsidiaries acquired in business combination not under common control <i>(continued)</i>					
Shuangyashan New Era Cement Co., Ltd. (雙鴨山新時代水泥有限公司)	Heilongjiang	Cement product manufacturing; plastic product manufacturing, etc.	10,618.50	–	100.00
Zhejiang Jinyu Hangjia Green Building Technology Co., Ltd. (浙江金隅杭加綠建科技有限公司)	Zhejiang	Technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion, etc.	60,000.00	–	54.00
Tianjin Longda Health Consulting Service Co., Ltd. (天津市龍達健康諮詢服務有限公司)	Tianjin	Health consulting services (excluding diagnosis and treatment services); conference and exhibition services	5,257.08	–	100.00
Tianjin New Building Materials Architectural Design and Research Institute Co., Ltd. (天津市新型建材建築設計研究院有限公司)	Tianjin	Construction engineering design; general contracting of housing construction and municipal infrastructure projects	2,928.99	–	100.00

Notes to Financial Statements (continued)

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RMB

VII. INTERESTS IN OTHER ENTITIES (continued)**1. Interests in the subsidiaries** (continued)

Information of the Company's major subsidiaries is as follows: (continued)

	Place of principal business/ registration	Business nature	Registered capital RMB0'000	Percentage of shareholding (%)	
				Direct	Indirect
Subsidiaries acquired in business combination under common control					
Beijing Building Decoration and Design Engineering Co., Ltd. (北京市建築裝飾設計工程有限公司)	Beijing	Design of projects' decoration and furniture decoration, etc.	20,000.00	–	100.00
Beijing BBMG Doudian Technology Corporate Management Co., Ltd. (北京金隅實店科技企業管理有限公司)	Beijing	Manufacture of energy-saving and insulation building materials, etc.	15,037.66	–	100.00
Beijing BBMG Property Development Group Co., Ltd. (北京金隅地產開發集團有限公司)	Beijing	Property development and operation	1,371,500.00	100.00	–
Haikou Dacheng Property Investment Co., Ltd. (海口大成置業有限公司)	Hainan	Property development, etc.	1,600.00	–	100.00
BBMG Dacheng Property Management Co., Ltd. (北京金隅大成物業管理有限公司)	Beijing	Property management	1,000.00	–	100.00
BBMG Hongye Ecological Science and Technology Co., Ltd. (北京金隅宏業生態科技有限責任公司)	Beijing	Rental and property management, etc.	200.00	–	100.00
BBMG Hong Kong Limited (金隅香港有限公司)	Hong Kong	Rental of properties held	(HK\$) 100.00	100.00	–
Beijing Yanshui Asset Management Co., Ltd. (北京燕水資產管理有限公司)	Beijing	Production of concrete	6,266.85	100.00	–
Beijing BBMG Tongda Fire-resistant Technology Co., Ltd. (北京金隅通達耐火技術有限公司)	Beijing	R&D and manufacture of various new refractory materials, etc.	28,517.14	100.00	–
Jidong Cement Tongchuan Co., Ltd. (冀東水泥銅川有限公司)	Shaanxi	Manufacturing and sale of cement and cement-based products	130,000.00	–	100.00

Note 1: Among the subsidiaries of the Group, Beijing BBMG Tiantan Furniture Co., Ltd., Tangshan Jidong Cement Co., Ltd., Tangshan Jidong Equipment & Engineering Co., Ltd., Huanbohai Jinan (Tianjin) Group Holding Co., Ltd. and Beijing Building Materials Testing Academy Co., Ltd. are joint stock companies (股份有限公司), and other subsidiaries are limited liability companies (有限責任公司).

Note 2: Due to the large number of subsidiaries of the Group, the above tables only list the subsidiaries that have a significant impact on income statement or equity attributable to the shareholders, and do not list all subsidiaries one by one.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

VII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in the subsidiaries *(continued)*

Subsidiaries with significant minority interests are as follows:

2024

	Percentage of minority shareholding	Profit or loss attributable to minority shareholder	Dividend payment to minority shareholders	Accumulated equity attributable to minority shareholders at the end of the year
Tianjin Building Materials Group (Holding) Co., Ltd.	16.79%	(57,195,921.06)	9,491,268.96	2,036,718,988.13
Tangshan Jidong Cement Co., Ltd	45.64%	(629,927,401.77)	8,128,725.20	15,338,630,186.87

2023

	Percentage of minority shareholding	Profit or loss attributable to minority shareholder	Dividend payment to minority shareholders	Accumulated equity attributable to minority shareholders at the end of the year
Tianjin Building Materials Group (Holding) Co., Ltd.	45.00%	(144,184,308.75)	10,961,268.96	4,328,597,508.08
Tangshan Jidong Cement Co., Ltd	45.64%	(982,358,924.69)	223,936,581.15	16,051,474,362.17

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

VII. INTERESTS IN OTHER ENTITIES *(continued)***1. Interests in the subsidiaries** *(continued)*

The following table sets forth the major financial information of the above-mentioned subsidiaries. Relevant figures represent amounts before intragroup offsetting:

31 December 2024

	Tianjin Building Materials Group (Holding) Co., Ltd.	Tangshan Jidong Cement Co., Ltd.
Current assets	8,202,677,186.14	14,624,936,901.19
Non-current assets	<u>11,393,549,311.26</u>	<u>47,651,694,583.43</u>
Total assets	<u>19,596,226,497.40</u>	<u>62,276,631,484.62</u>
Current liabilities	11,675,246,919.50	16,459,355,154.99
Non-current liabilities	<u>1,461,411,068.75</u>	<u>14,569,134,038.25</u>
Total liabilities	<u>13,136,657,988.25</u>	<u>31,028,489,193.24</u>
Operating revenue	10,885,023,339.41	25,272,597,849.89
Net losses	(466,856,116.64)	(1,282,875,855.45)
Total comprehensive income	(467,104,116.64)	(1,316,891,226.74)
Net cash flows from operating activities	81,153,530.31	3,205,040,475.65

31 December 2023

	Tianjin Building Materials Group (Holding) Co., Ltd.	Tangshan Jidong Cement Co., Ltd.
Current assets	10,319,617,641.24	13,977,956,741.34
Non-current assets	<u>11,130,083,731.52</u>	<u>48,892,577,193.08</u>
Total assets	<u>21,449,701,372.76</u>	<u>62,870,533,934.42</u>
Current liabilities	11,286,147,967.13	15,606,696,858.29
Non-current liabilities	<u>1,667,342,261.99</u>	<u>14,519,951,706.31</u>
Total liabilities	<u>12,953,490,229.12</u>	<u>30,126,648,564.60</u>
Operating revenue	9,102,553,425.48	28,225,493,688.85
Net losses	(345,223,860.02)	(1,896,286,862.00)
Total comprehensive income	(345,223,860.02)	(1,983,905,145.70)
Net cash flows from operating activities	(127,515,172.42)	2,989,759,802.11

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

VII. INTERESTS IN OTHER ENTITIES *(continued)*

2. Transactions resulting in changes in equity attributable to shareholders in subsidiaries with no effect on right of control

- a. On 31 May 2024, Tangshan Jidong Cement Co., Ltd. (hereinafter referred to as "Jidong Cement") acquired 40.00% of the equity interest in Tangshan Jidong New Materials Investment Co., Ltd. (hereinafter referred to as "Jidong New Materials") at an agreed price of RMB200,123,942.80. After the completion of this transaction during the year, Jidong New Materials became a wholly-owned subsidiary of Jidong Cement. This transaction resulted in a decrease in minority interests of the Group of RMB191,207,009.55 and a decrease in capital reserves of RMB8,916,933.25.
- b. On 11 March 2024, Beijing Jianji Asset Management Co., Ltd. (hereinafter referred to as "Jianji Asset Management") acquired 33.30% of the equity interest in Jinyu Jingti (Beijing) Sports Culture Co., Ltd. (hereinafter referred to as "Jingti Sports") at an agreed price of RMB3,841,317.00. After the completion of this transaction during the year, Jingti Sports became a wholly-owned subsidiary of Jianji Asset Management. This transaction resulted in a decrease in minority interests of the Group of RMB1,163,996.65 and a decrease in capital reserves of RMB2,677,320.35.
- c. On 25 January 2024, BBMG New Building Materials Industrialization Group Co., Ltd. (hereinafter referred to as "Xincai Group") acquired 53.93% of the equity interest in Zhejiang Hangjia Zetong Building Energy-Saving New Materials Co., Ltd. (now renamed as "Zhejiang Jinyu Hangjia Green Building Technology Co., Ltd.", hereinafter referred to as "Jinyu Hangjia Xincai") with its 100.00% equity in Beijing Jinyu Aerated Concrete Co., Ltd. (hereinafter referred to as "Jinyu Aerated") and its 51.00% equity in Shaanxi Jinyu Aerated Assembly Parts Co., Ltd. (hereinafter referred to as "Shaanxi Aerated") as the consideration. After the completion of this transaction during the year, Jinyu Hangjia Xincai became a subsidiary of Xincai Group. The decrease of 46.07% equity interest in Jinyu Aerated and 23.50% equity interest in Shaanxi Aerated by Xincai Group resulted in minority interest of RMB105,434,739.98 at the consolidation level.
- d. On 22 July 2024, Jinyu Concrete Group Co., Ltd. (hereinafter referred to as "Concrete Group") acquired an 8.00% equity in Handan Hanshan Jinyu Concrete Co., Ltd. at an agreed price of RMB3,711,711.40. This transaction resulted in a decrease of RMB3,559,812.92 in minority interests and a reduction of RMB151,898.48 in capital reserves at the consolidation level.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

VII. INTERESTS IN OTHER ENTITIES *(continued)*

2. Transactions resulting in changes in equity attributable to shareholders in subsidiaries with no effect on right of control *(continued)*

- e. On 22 July 2024, Concrete Group acquired 8.00% equity in Handan Jinyu Chenxiang Concrete Co., Ltd. at an agreed price of RMB4,613,208.01. This transaction resulted in a decrease of RMB4,304,167.04 in minority interests and a reduction of RMB309,040.97 in capital reserves at the consolidation level.
- f. On 25 September 2024, BBMG Corporation (hereinafter referred to as "BBMG") successfully bid for 11.816% equity in its subsidiary Tianjin Building Materials Group (Holding) Co., Ltd. (hereinafter referred to as "Tianjin Building Materials") from minority shareholder Tianjin Education Development Investment Co., Ltd. (hereinafter referred to as "Education Investment Company") through a public listing transfer at a consideration of RMB979,944,224.19. This transaction resulted in a decrease in minority interests by RMB815,414,306.77 and a decrease in capital reserves by RMB164,529,917.42 at the consolidation level.
- g. On 31 October 2024, Cement Company acquired 10% equity of Mizhi Jidong Cement Co., Ltd. (hereinafter referred to as "Mizhi Cement") at an agreed price of RMB35,087,723.00. On 1 December 2024, Cement Company successfully bid for 29% equity in Mizhi Cement at a consideration of RMB100,944,288.00. Upon completion of the above transactions during the year, minority interests decreased by RMB133,623,523.32, and capital reserves decreased by RMB2,408,487.68 at the consolidation level.
- h. On 9 December 2024, BBMG, Tianjin Building Materials, and Education Investment Company reached an agreement regarding unilateral capital reduction of Education Investment Company. Under this agreement, Education Investment Company reduced its 19.70% equity in Tianjin Building Materials at a consideration of RMB1,633,793,264.78. This transaction resulted in a decrease in minority interests by RMB1,387,418,423.76 and a decrease in capital reserves by RMB246,374,841.02 at the consolidation level.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

VII. INTERESTS IN OTHER ENTITIES *(continued)*

3. Interests in joint ventures and associates

	Place of registration/ principal business	Business nature	Registered capital (RMB'000)	Percentage of shareholding (%)	
				Direct	Indirect
Joint ventures					
STAR-USG Building Materials Co., Ltd. (星牌優時吉建築材料有限公司)	Dachang county	Production of mineral wool acoustic board, etc.	(USD) 54,520	50.00	–
Jidong Heidelberg (Fufeng) Cement Co., Ltd. (冀東海德堡(扶風)水泥有限公司)	Baoji	Manufacture and sales of cement and clinker, etc.	489,875.00	–	48.11
Jidong Heidelberg (Jingyang) Cement Co., Ltd. (冀東海德堡(涇陽)水泥有限公司)	Xianyang	Manufacture and sales of cement and clinker, etc.	458,960.00	–	50.00
Tangshan Caofeidian Dunshi New Building Material Co., Ltd. (唐山曹妃甸盾石新型建材有限公司)	Tangshan	Manufacture and sales of slag fine powder and by-product	200,000.00	–	50.00
Anshan Jidong Cement Co., Ltd. (鞍山冀東水泥有限責任公司)	Anshan	Manufacture and sales of cement and clinker, etc.	300,000.00	–	50.00
Cross Point Trading 274 (Pty) Ltd (RF)	South Africa	Investment in building materials industry, etc.	(ZAR)300,000	–	56.10
Hebei Xiongan Zhitong Technology Co., Ltd. (河北雄安智砦科技有限公司)	Baoding	New material technology promotion service and concrete technology development, etc.	20,000.00	–	51.00
Beijing Qiyuan Development and Construction Co., Ltd. (北京啟苑開發建設有限公司)	Beijing	Property development and operation, etc.	1,000.00	–	90.00
Dahongmen (Beijing) Construction Development Co., Ltd. (大紅門(北京)建設發展有限公司)	Beijing	Property development and sale of self-developed commercial housing	1,000,000.00	–	60.00
Beijing Jinyu Vanke Real Estate Development Co., Ltd. (北京金隅萬科房地產開發有限公司)	Beijing	Property development and sale of self-developed commercial housing	190,000.00	–	51.00
Beijing Haiyu Zhixin Property Development Co., Ltd. (北京海隅置欣房地產開發有限公司)	Beijing	Property development and operation	100,000.00	–	49.00
Associates					
Zehnder (China) Indoor Climate Co., Ltd. (森德(中國)暖通設備有限公司)	Beijing	Production of radiators, etc.	(USD) 27,500	26.73	–
OCV Reinforcements (Beijing) Co., Ltd. (歐文斯科寧複合材料(北京)有限公司)	Beijing	Complete non-standard control of concrete and pumping	276,003.00	20.00	–
Beijing Sinobaide Technology Co., Ltd. (北京金時佰德技術有限公司)	Beijing	Design and production of equipment	10,000.00	–	23.00
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd. (河北睿索固廢工程技術研究院有限公司)	Chengde	Technology research and testing for comprehensive utilization of solid waste	53,739.00	–	44.18
Tangshan Conch Profiles Co., Ltd. (唐山海螺型材有限責任公司)	Tangshan	Manufacture and sales of architectural profiles	160,000.00	40.00	–
Beijing Chenyu Real Estate Development Co., Ltd. (北京宸宇房地產開發有限公司)	Beijing	Property development and operation, etc.	5,500,000.00	–	49.00

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**VII. INTERESTS IN OTHER ENTITIES** *(continued)***3. Interests in joint ventures and associates** *(continued)*

	Place of registration/ principal business	Business nature	Registered capital (RMB'000)	Percentage of shareholding (%)	
				Direct	Indirect
Associates <i>(continued)</i>					
Toto Machinery (Beijing) Company Limited (東陶機器(北京)有限公司)	Beijing	Production of sanitary ceramics, etc.	(USD)24,000	20.00	–
Zhongfang Huarui (Tangshan) Real Estate Co., Ltd. (中房華瑞(唐山)置業有限公司)	Tangshan	Property development and operation, etc.	10,000.00	–	40.00
Jidong Cement Fufeng Transportation Co., Ltd. (冀東水泥扶風運輸有限責任公司)	Baoji	Automobile transportation, etc.	16,000.00	–	23.75
Jilin Changjitu Investment Co., Ltd. (吉林市長吉圖投資有限公司)	Jilin	Service industry, etc.	500,000.00	–	30.00
Tianjin Xingye Longxiang Construction Engineering Co., Ltd. (天津市興業龍祥建設工程有限公司)	Tianjin	Undertaking the construction of various types of projects, etc.	100,000.00	–	30.00
Tianjin Yaopi Glass Co., Ltd. (天津耀皮玻璃有限公司)	Tianjin	Manufacture and sale of various types of plate glass, etc.	736,166.00	–	22.74
Beijing Innovation Industry Investment Co., Ltd. (北京創新產業投資有限公司)	Beijing	Investment management, asset management, etc.	2,000,000.00	10.00	–
Liaoning Yunding Cement Group Co., Ltd. (遼寧雲鼎水泥集團股份有限公司)	Shenyang	Production and sales of cement and clinker	32,990.00	–	2.49
Nanjing Huayu Real Estate Development Co., Ltd. (南京鐔隅房地產開發有限公司)	Nanjing	Property development and sale of self-developed commercial housing	1,000,000.00	–	50.00
Beijing Yichang Real Estate Co., Ltd. (北京怡暢置業有限公司)	Beijing	Property development and sale of self-developed commercial housing, etc.	1,830,000.00	–	35.00
Beijing Jinhaicheng Management Consulting Partnership LLP (北京金海誠管理諮詢合夥企業(有限合夥))	Beijing	Business management	2,000.00	–	30.00

Notes to Financial Statements *(continued)*

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VII. INTERESTS IN OTHER ENTITIES *(continued)*

3. Interests in joint ventures and associates *(continued)*

	Place of registration/ principal business	Business nature	Registered capital (RMB'000)	Percentage of shareholding (%)	
				Direct	Indirect
Associates <i>(continued)</i>					
Beijing Jinhaicheng Technology Innovation Investment Partnership LLP (北京金海誠科創投資合夥企業(有限合夥))	Beijing	Asset management, investment consultation	198,000.00	–	50.51
Beijing Jingxi Ecological Cultural Tourism Investment Co., Ltd. (北京京西生態文旅投資有限公司)	Beijing	Cultural industry investment, project development and operation	1,000,000.00	10.00	–
Beijing Zhongtai Jinjian Real Estate Development Co., Ltd. (北京中泰金建房地產開發有限公司)	Beijing	Property development and operation; sale of self-developed commercial housing	100,000.00	–	34.00
Tianjin Shengxiang Plastic Pipes Industry Co., Ltd. (天津盛象塑料管業有限公司)	Tianjin	Manufacturing and processing of plastic pipes and pipe fittings, composite pipes and pipe fittings, as well as mining pipes and pipe fittings	50,000.00	–	15.00
Nanjing Huayu Decoration Engineering Co., Ltd. (南京鐔隅裝飾工程有限公司)	Nanjing	Licensed items: residential interior decoration; construction engineering construction	2,000.00	–	50.00
Hebei Jiaotou Green Building Materials Co., Ltd. (河北交投綠色建材有限公司)	Baoding	Manufacture and sales of cement products, etc.	100,000.00	–	12.00
Beijing Jinzhu Xingye Real Estate Development Co., Ltd. (北京金住興業房地產開發有限公司)	Beijing	Property development and operation	1,500,000.00	–	49.00
Easyhome New Retail Group Corporation Limited (居然智家新零售集團股份有限公司)	Wuhan	Sales of general merchandise and daily necessities	6,287,288.00	10.00	–

The Group adopts the equity method for interests in joint ventures and associates.

Notes to Financial Statements *(continued)*

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VII. INTERESTS IN OTHER ENTITIES *(continued)***3. Interests in joint ventures and associates** *(continued)*

The following table sets forth the consolidated financial information on joint ventures and associates which are not individually significant to the Group:

	2024	2023
Joint ventures		
Total carrying amount of investments	1,689,931,024.72	1,698,793,369.10
Total amount calculated based on shareholding		
Net profits	102,205,398.21	97,242,296.86
Total comprehensive income	105,064,325.29	72,254,115.56
Associates		
Total carrying amount of investments	7,668,475,720.72	7,489,900,649.51
Total amount calculated based on shareholding		
Net profits	262,453,298.15	(52,116,947.90)
Total comprehensive income	262,453,298.15	(52,116,947.90)
Total carrying amount of long-term equity investments	9,358,406,745.44	9,188,694,018.61
Total investment gains of long-term equity investments	364,658,696.36	45,125,348.96
Total comprehensive income of long-term equity investments	367,517,623.44	20,137,167.66

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS**1. Financial instruments risks**

The Group is exposed to various types of risks from financial instruments during its ordinary course of business, mainly including credit risk, liquidity risk and market risk. The Group's risk management policies are described as follows.

(1) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who request to trade on credit terms are subject to credit verification procedures. In addition, balances of accounts receivable are monitored on an ongoing basis to ensure that the Group's exposure to bad debt is not significant. For transactions that are not settled in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Department of Credit Control of the Group.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

1. Financial instruments risks *(continued)*

(1) Credit risk *(continued)*

As the counterparties of cash and bank balances and bank acceptance bills receivable are banks with good reputations and higher credit ratings, these financial instruments have lower credit risk.

The credit risk of the Group's other financial assets, which comprise other receivables, long-term receivables and other non-current financial assets, etc. arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

The maximum credit risk exposure of the Group on each balance sheet date is the total amount charged to customers less the amount after deducing impairment provision.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's accounts receivable are widely dispersed in different sectors and industries. The Group does not hold any collateral or other credit enhancements over the balances of accounts receivable.

Criteria for judging significant increase in credit risk

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each balance sheet date. The Group determines the significant increase in credit risk mainly based on the criteria that if there are any significant changes in one or more of the following indicators: the material adverse changes in the business environment, internal and external credit rating, actual or expected operating results of the debtor.

Definition of credit-impaired asset

The primary criterion of the Group to determine credit impairment is the overdue period exceeding 180 days. However, in certain circumstances, if internal or external information indicates that the contract amount may not be fully recovered before taking into account any credit enhancements, the Group also considers it is credit-impaired.

The credit impairment on a financial asset may be caused by the combined effect of multiple events and may not be necessarily due to a single event.

Notes to Financial Statements *(continued)*

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VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)***1. Financial instruments risks** *(continued)***(2) Liquidity risk**

The Group's objective is to maintain a balance between the continuity and flexibility of financing through the use of various financing methods. The Group finances its operations through funds from operations and borrowings.

The liquidity of the Group is primarily dependent on adequate cash inflows from operations to meet its debt obligations as they fall due and external financing to meet its committed future capital expenditure. The table below summarises the maturity analysis of financial liabilities based on the undiscounted contractual cash flows:

31 December 2024

	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Short-term loans	28,750,156,523.65	-	-	-	28,750,156,523.65
Bills payable	3,055,166,040.97	-	-	-	3,055,166,040.97
Accounts payable	20,944,153,978.57	-	-	-	20,944,153,978.57
Other payables	6,052,409,352.62	-	-	-	6,052,409,352.62
Short-term financing bonds	6,078,723,287.67	-	-	-	6,078,723,287.67
Long-term borrowings	9,979,773,755.17	15,969,766,532.70	30,319,945,425.73	9,852,188,035.90	66,121,673,749.50
Bonds payable	10,686,586,603.49	5,155,282,219.18	6,688,817,123.29	4,734,369,726.03	27,265,055,671.99
Lease liabilities	197,263,403.95	155,591,245.54	147,356,294.40	301,594,018.89	801,804,962.78
Long-term payables	161,419,475.33	138,264,608.38	101,518,196.52	19,818,200.00	421,020,480.23
Total	85,905,652,421.42	21,418,904,605.80	37,257,637,039.94	14,907,969,980.82	159,490,164,047.98

31 December 2023

	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Short-term loans	30,195,036,439.73	-	-	-	30,195,036,439.73
Bills payable	3,835,290,150.26	-	-	-	3,835,290,150.26
Accounts payable	18,524,373,921.94	-	-	-	18,524,373,921.94
Other payables	5,891,137,063.66	-	-	-	5,891,137,063.66
Short-term financing bonds	6,072,619,726.03	-	-	-	6,072,619,726.03
Long-term borrowings	8,312,977,230.35	12,940,000,364.08	22,920,373,277.38	5,291,678,981.81	49,465,029,853.63
Bonds payable	13,900,469,241.94	5,930,830,684.93	11,097,803,150.68	-	30,929,103,077.56
Lease liabilities	107,797,600.22	66,966,599.66	317,579,229.32	344,427,683.64	836,771,112.83
Long-term payables	59,898,246.12	99,643,865.90	59,454,600.00	54,386,415.69	273,383,127.71
Total	86,899,599,620.25	19,037,441,514.57	34,395,210,257.38	5,690,493,081.14	146,022,744,473.34

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

1. Financial instruments risks *(continued)*

(3) Market risk

Interest rate risk

The Group's exposure to the changes in market interest rates is mainly related to the floating-rate long-term liabilities of the Group. The Group manages its interest cost by maintaining an appropriate mix of fixed- and floating-rate debts. The Group manages interest rate risk by closely monitoring the changes in interest rates and reviewing borrowings on a regular basis.

The table below demonstrates the sensitivity analysis of interest rate risk that reflects the impact on net profit or loss (through the impact on floating-rate borrowings) and net other comprehensive income after tax when a reasonably possible change in interest rates occurs, with all other variables held constant.

2024

	Increase/(decrease) in basis points	Increase/(decrease) in net profit or loss	Increase/(decrease) in net other comprehensive income after tax	Increase/ (decrease) in total shareholders' equity
RMB	100.00	(25,847,890.39)	-	(25,847,890.39)

2023

	Increase/(decrease) in basis points	Increase/(decrease) in net profit or loss	Increase/(decrease) in net other comprehensive income after tax	Increase/ (decrease) in total shareholders' equity
RMB	100.00	(29,353,287.50)	-	(29,353,287.50)

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)***1. Financial instruments risks** *(continued)***(3) Market risk** *(continued)**Foreign exchange risk*

The Group is exposed to transactional foreign exchange risk. This risk arises from sales or purchases conducted by operating units in currencies other than their functional currency.

The table below demonstrates the sensitivity analysis of foreign exchange risk to reasonable and possible change in exchange rates of USD, with all other variables held constant, with respect to the impact on net profit or loss (due to USD-denominated financial instruments) and net other comprehensive income after tax.

2024

	Increase/ (decrease) in exchange rate of USD/HKD %	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in net other comprehensive income after tax	Increase/ (decrease) in total shareholders' equity
RMB depreciation against USD	1.00	4,617,552.10	-	4,617,552.10
RMB appreciation against USD	1.00	(4,617,552.10)	-	(4,617,552.10)
RMB depreciation against HKD	1.00	7,031.13	4,656,139.97	4,663,171.10
RMB appreciation against HKD	1.00	(7,031.13)	(4,656,139.97)	(4,663,171.10)

2023

	Increase/ (decrease) in exchange rate of USD/HKD %	Increase/(decrease) in net profit or loss	Increase/(decrease) in net other comprehensive income after tax	Increase/ (decrease) in total shareholders' equity
RMB depreciation against USD	1.00	2,503,855.82	-	2,503,855.82
RMB appreciation against USD	1.00	(2,503,855.82)	-	(2,503,855.82)
RMB depreciation against HKD	1.00	5,252.34	4,706,847.36	4,712,099.70
RMB appreciation against HKD	1.00	(5,252.34)	(4,706,847.36)	(4,712,099.70)

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

2. Capital management

The main objective of the Group's capital management is to ensure the Group's ability to operate on a going concern basis and maintain healthy capital ratios so as to support business growth and maximise shareholder value.

The Group manages its capital structure and makes adjustments in response to changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the distribution of profits to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. In 2024 and 2023, there was no change in the capital management objectives, policies or procedures.

The Group controls its capital using debt ratio, which is calculated by dividing total liabilities by total assets. As at the balance sheet date, the debt ratio of the Group was as follows:

	2024	2023
Total liabilities	171,878,399,570.89	175,314,768,398.62
Total assets	263,995,720,701.11	269,679,139,215.48
Debt ratio	65.11%	65.01%

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS** *(continued)***3. Hedging****(1) Conducting hedge transactions for the purpose of risk management**

	Relevant risk management strategy and objectives	Qualitative and quantitative information of hedged risks	Economic correlation between the hedged item and relevant hedging instruments	Effective fulfillment of expected risk management objectives	Impact of relevant hedging activities on risk exposure
Avoiding the risk of fluctuations in spot price and exchange rates	Hedging, as an important risk management tool, allows companies to use the futures market to transfer risks, with a view to avoiding the risk of fluctuations in spot price, achieving more stable operation and improving the operational efficiency of the enterprise.	As of 31 December 2024, the hedged item with the amount of RMB180.95 million was exposed to changes in fair value and changes in cash flows.	<p>(I) selling hedging for existing spot inventories;</p> <p>(II) hedging for signed fixed-price purchase and sales contracts, including short hedging for raw material procurement contracts, long hedging for finished product sales contracts, and hedging for fixed-price trading contracts in the opposite direction as the contract;</p> <p>(III) hedging for signed floating-price purchase and sales contracts, including long hedging for raw material procurement contracts, short hedging for finished product sales contracts, and hedging for floating-price trading contracts in the same direction as the contract;</p> <p>(IV) hedging for the expected procurement volume or expected output based on the production and operation plan, including long hedging for expected raw material procurement and short hedging for expected finished products;</p> <p>(V) hedging for expected foreign exchange receipts and payments involved in import/export contracts to be implemented based on the production and operation plan;</p> <p>(VI) other circumstances as determined by the Group and the Company.</p>	Taking stable production and operation as its fundamental starting point, the Company prudently carried out financial derivative business, strengthened business supervision and management, and effectively leveraged the hedging functions of financial derivatives to offset the risk of fluctuations in commodity price and exchange rate.	As of 31 December 2024, derivatives instruments, as the hedging instruments, may reduce by a total of RMB24.15 million to hedge against the price fluctuation risk.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

3. Hedging *(continued)*

(2) Conducting qualifying hedge transactions and applying hedge accounting

	Hedging type	Carrying amount related to hedged items and hedging instruments	Cumulative fair value hedge adjustments of hedged items included in the carrying amount of the hedged items recognised	Sources of hedge effectiveness and hedge ineffectiveness	Impact of hedge accounting on the Company's financial statements
Market risk	Cash flow hedging	As at 31 December 2024, hedged items were RMB0.00 (31 December 2023: RMB0.00) As at 31 December 2024, hedging instruments were RMB0.00 (31 December 2023: RMB0.00)	N/A	Expected to be highly effective	In 2024, investment income was RMB4,814,309.11 (2023: RMB-889,036.90)
Market risk	Fair value hedging	As at 31 December 2024, hedged items were RMB180,950,611.05 (31 December 2023: RMB133,375,925.72) As at 31 December 2024, hedging instruments were RMB3,976,500 (31 December 2023: RMB733,000.00)	N/A	Expected to be highly effective	In 2024, gains and losses from changes in fair value was RMB151,625.08 (2023: RMB6,635,322.17)

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)***3. Hedging** *(continued)***(2) Conducting qualifying hedge transactions and applying hedge accounting** *(continued)**Fair value hedge*

The Group is engaged in trading of commodities such as non-ferrous metals and ferrous metals (including copper, iron ore, steel billet, coke and thermal coal futures). The industrial products held by the Group are subject to the risk of price changes. Therefore, the Group uses futures contracts of futures exchanges to manage its exposure to commodity price risks arising from all industrial products it holds. The standard indicators for selling the industrial products are the same as the corresponding delivery grades in the futures contract. The basic variables of the hedging instrument (futures contract) and the hedged item (standard parameters of the bulk commodities held by the Group) are all standard parameter prices. Through qualitative analysis, the Group determines that the ratio of the number of hedging instruments to the number of hedged items was 1:1. The ineffective portion of hedging mainly arose from the basis risk, the risk of changes in supply and demand in the spot or futures market, and other risks of uncertainties in the spot or futures market. The amount of ineffective hedges recognized during the period was not significant. The Group adopted fair value hedge for such hedging.

The time distribution and average price of the nominal amount of the hedging instruments are as follows:

2024

	Within 6 months
Nominal amount of copper futures	26,460,000.00
Average price of copper futures (Unit: RMB/ton)	6,750.00
Nominal amount of iron ore futures	319,382,996.00
Average price of iron ore futures (Unit: RMB/ton)	6,387.66
Nominal amount of steel billet futures	13,450,311.84
Average price of steel billet futures (Unit: RMB/ton)	105.91
Nominal amount of coking coal futures	55,647,886.56
Average price of coking coal futures (Unit: RMB/ton)	199.66

Notes to Financial Statements *(continued)*

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VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

3. Hedging *(continued)*

(2) Conducting qualifying hedge transactions and applying hedge accounting *(continued)*

Fair value hedge (continued)

The time distribution and average price of the nominal amount of the hedging instruments are as follows: *(continued)*

2023

	Within 6 months
Nominal amount of copper futures	108,267,981.72
Average price of copper futures (Unit: RMB/ton)	60,148.88
Nominal amount of iron ore futures	179,873,000.00
Average price of iron ore futures (Unit: RMB/ton)	946.70
Nominal amount of steel billet futures	7,920,000.00
Average price of steel billet futures (Unit: RMB/ton)	3,960.00
Nominal amount of coking coal futures	152,013,066.72
Average price of coking coal futures (Unit: RMB/ton)	2,004.39

Changes in the carrying amount and fair value of the hedging instruments are as follows:

2024

	Nominal amounts of the hedging instruments	Carrying amounts of the hedging instruments		Items on the balance sheet that contain hedging instruments	Changes in fair value of hedging instruments used as a basis for recognizing the ineffective portion of hedging for the year
		Assets	Liabilities		
Commodity price risk – inventories	414,941,194.40	407,608,184.40	–	Inventories	–

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)***3. Hedging** *(continued)***(2) Conducting qualifying hedge transactions and applying hedge accounting** *(continued)**Fair value hedge (continued)*

Changes in the carrying amount and fair value of the hedging instruments are as follows:
(continued)

2023

	Nominal amounts of the hedging instruments	Carrying amounts of the hedging instruments		Items on the balance sheet that contain hedging instruments	Changes in fair value of hedging instruments used as a basis for recognizing the ineffective portion of hedging for the year
		Assets	Liabilities		
Commodity price risk – inventories	448,074,048.44	445,897,420.33	–	Inventories	–

The carrying amount of hedged items and related adjustments are as follows:

2024

	Carrying amount of hedged items	Cumulative amount of adjustments to fair value hedge of hedged items (included in carrying amount of hedged items)	Items on the balance sheet that contain hedged items	Changes in fair value of hedged items used as a basis for recognizing the ineffective portion of hedging for the year
Commodity price risk – inventories	386,256,980.00	(8,676,280.00)	Inventories	–

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

3. Hedging *(continued)*

(2) Conducting qualifying hedge transactions and applying hedge accounting *(continued)*

Fair value hedge (continued)

2023

	Carrying amount of hedged items	Cumulative amount of adjustments to fair value hedge of hedged items (included in carrying amount of hedged items)	Items on the balance sheet that contain hedged items	Changes in fair value of hedged items used as a basis for recognizing the ineffective portion of hedging for the year
	Assets	Assets		
Commodity price risk – inventories	437,387,627.72	15,493,842.25	Inventories	–

The ineffective portion of hedging in the changes in fair value of hedging instruments is set out below:

2024

	Ineffective portion of hedging included in profit or loss	Ineffective portion of hedging included in other comprehensive income	Items on the income statement that contain ineffective portion of hedging
Inventory price risk	3,060,500.00	–	–

2023

	Ineffective portion of hedging included in profit or loss	Ineffective portion of hedging included in other comprehensive income	Items on the income statement that contain ineffective portion of hedging
Inventory price risk	80,000.00	–	–

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS** (continued)**4. Transfers of financial assets**

Transfer method	Nature of transferred financial assets	Amount of transferred financial assets	Derecognition	Basis for determining derecognition
Endorsement of bills/bill discounting	Bills receivable	317,454,367.36	Not derecognised	Retained substantially all risks and rewards, including default risks associated
Endorsement of bills/bill discounting	Bills receivable	6,406,717,625.70	Continuing involvement	Neither transferred nor retained substantially all the risks and rewards of ownership of the financial assets, and retained control of the financial asset
Factoring	Accounts receivable	206,727,036.42	Continuing involvement	Neither transferred nor retained substantially all the risks and rewards of ownership of the financial assets, and retained control of the financial asset
Factoring	Bills receivable	146,982,220.09	Derecognised	Transferred substantially all risks and rewards
Asset securitization	Accounts receivable	1,118,514,639.32	Derecognised	Transferred substantially all risks and rewards
Supply chain financing	Accounts receivable	59,608,693.93	Derecognised	Transferred substantially all risks and rewards
Supply chain financing	Accounts receivable	480,860,496.98	Continuing involvement	Neither transferred nor retained substantially all the risks and rewards of ownership of the financial assets, and retained control of the financial asset
Total		<u>8,736,865,079.80</u>		

The financial assets derecognised due to transfer are as follows:

	Transfer method of financial assets	Amount of financial assets derecognized	Gains or losses related to derecognition
Bills receivable	Factoring	146,982,220.09	-
Accounts receivable	Asset securitization	1,118,514,639.32	(24,632,657.30)
Accounts receivable	Supply chain financing	<u>59,608,693.93</u>	-
Total		<u>1,325,105,553.34</u>	<u>(24,632,657.30)</u>

Notes to Financial Statements *(continued)*

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VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

4. Transfers of financial assets *(continued)*

The transferred financial assets continued to be involved in the transfer are as follows:

	Asset transfer method	Amount of assets that continued to be involved in	Amount of liabilities that continued to be involved in
Bills receivable	Endorsement of bills/ bill discounting	6,406,717,625.70	6,406,717,625.70
Accounts receivable	Factoring	206,727,036.42	206,727,036.42
Accounts receivable	Supply chain financing	480,860,496.98	480,860,496.98
Total		7,094,305,159.10	7,094,305,159.10

Financial assets transferred but not yet fully derecognised

As at 31 December 2024, the Group endorsed and discounted bank acceptance bills and commercial acceptance bills with a carrying amount of RMB90,876,462.23 and RMB226,577,905.13 (31 December 2023: RMB72,991,177.23 and RMB207,745,893.41). The Group is of the opinion that the Group has retained substantially all their risks and rewards, including the default risk associated, the Group continues to recognise them in full and the settled accounts payable or short-term borrowings associated therewith. After the endorsement or discount, the Group no longer reserves the rights to use these financial assets, including the rights to sell, transfer or pledge to any other third parties. As at 31 December 2024, the carrying amount of accounts payable settled by these financial assets or short-term borrowings amounted to RMB317,454,367.36 (31 December 2023: RMB280,737,070.64) in total.

Transferred financial assets fully derecognised but with continuing involvement

As at 31 December 2024, the carrying amount of bank acceptance bills endorsed to its suppliers for settlement of accounts payable or discounted to the banks by the Group was RMB6,406,717,625.70 (31 December 2023: bank acceptance bills of RMB2,504,171,864.36, including the portion included in bills receivable and financing receivables). As at 31 December 2024, the maturities ranged from 1 to 12 months. Pursuant to relevant provisions of the "Law of Negotiable Instruments", the holders of commercial instruments shall have the right of recourse against the Group (the "Continuing Involvement") if the relevant acceptance bank defaults. As the Group is of the opinion that the Group has transferred substantially all their risks and rewards, the Group has derecognised them and the settled carrying value of accounts payable associated therewith. The maximum exposure to loss from the Continuing Involvement and repurchase and the undiscounted cash flows equal to their carrying amounts. The Group is of the opinion that the fair value of the Continuing Involvement is insignificant.

In 2024, no gains or losses were recognised on their dates of transfer by the Group (2023: Nil). No income or expenses were recognised for the current year or on an accumulative basis as a result of the Group's Continuing Involvement. Endorsements were incurred basically evenly during the year.

Notes to Financial Statements (continued)

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IX. DISCLOSURE OF FAIR VALUE**1. Assets and liabilities measured at fair value****2024**

	Inputs used for the measurement of fair value			Total
	Quoted price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable inputs (Level 3)	
Continuous measurement at fair value				
Financial assets held for trading	19,658,100.00	1,152,935,304.61	–	1,172,593,404.61
Financing receivables	–	885,835,186.93	–	885,835,186.93
Other non-current financial assets	489,561,240.56	–	–	489,561,240.56
Investment in other equity instruments	405,982,715.50	–	248,504,108.06	654,486,823.56
Investment properties	–	1,234,446,171.56	41,688,405,377.29	42,922,851,548.85
Total	915,202,056.06	3,273,216,663.10	41,936,909,485.35	46,125,328,204.51

2023

	Inputs used for the measurement of fair value			Total
	Quoted price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable inputs (Level 3)	
Continuous measurement at fair value				
Financial assets held for trading	14,623,400.00	535,773,605.33	–	550,397,005.33
Financing receivables	–	763,501,720.37	–	763,501,720.37
Other non-current financial assets	369,093,598.93	–	–	369,093,598.93
Investment in other equity instruments	458,948,024.76	–	190,457,572.12	649,405,596.88
Investment properties	–	1,201,337,300.00	39,484,369,743.91	40,685,707,043.91
Total	842,665,023.69	2,500,612,625.70	39,674,827,316.03	43,018,104,965.42

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

IX. DISCLOSURE OF FAIR VALUE *(continued)*

2. Valuation of fair value

Management has assessed that the fair values of the short-term financial assets and financial liabilities, such as cash and bank balances, bills receivable, accounts receivable, financing receivables, other receivables, short-term loans, short-term financing bonds payable, bills payable, accounts payable, other payables and non-current liabilities due within one year, approximate their carrying amounts due to the short residual term of these instruments.

The Group's finance team is led by the manager of the finance and capital department, and is responsible for formulating policies and procedures for the fair value measurement of financial instruments. The finance team reports directly to the chief financial officer and the Audit Committee. As at each balance sheet date, the finance team analyses changes in the values of financial instruments and determines the main inputs applicable to the valuation, and the valuation must be reviewed and approved by the chief accountant. For the purpose of preparing interim and annual financial statements, the finance team meets the Audit Committee twice a year to discuss the valuation process and results.

The fair value of financial assets and financial liabilities is determined based on the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction, instead of the amount under forced sale or under liquidation. The following methods and assumptions are used to estimate the fair value:

The fair values of long-term receivables, long-term loans, bonds payable, lease liabilities and long-term payables are calculated by discounting the future cash flows using market yields currently available for other financial instruments with similar contractual terms, credit risk and residual term as the discount rate. As at 31 December 2024, the Group's exposure to non-performance risk associated with the long-term receivables, long-term borrowings, bonds payable, lease liabilities and long-term payables is assessed as insignificant.

The fair values of listed equity instruments are determined on the basis of market prices.

3. Level 2 fair value measurement

The Group has entered into derivative financial instrument contracts with various counterparties, mainly of which are financial institutions with high credit ratings. Derivative financial instruments, including foreign exchange forward contracts and interest rate swaps, are measured using valuation techniques similar to forward pricing and swap models and present value methods. The model covers multiple inputs observable in markets, including counterparty's credit quality, spot and forward rates and interest rate curves. The carrying value of foreign exchange forward contracts and interest rate swaps is the same as the fair value. The mark to market value of derivative financial assets is the net value after offsetting the credit valuation adjustment attributable to the default risk of derivative instrument counterparties. The change of counterparty's credit risk has no significant impact on the evaluation of hedging effectiveness of designated derivative instruments in hedging relationship and other financial instruments measured at fair value.

The fair value of investment properties is determined using the market comparison approach, with reference to the recent unit area sales prices of similar or comparable real estate properties available in the local market in the valuation.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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IX. DISCLOSURE OF FAIR VALUE *(continued)***3. Level 2 fair value measurement** *(continued)****The fair value of investment properties measured through fair value model***

The following table sets forth the changes in Level 2 and Level 3 fair value of the investment properties of the Group as at 31 December 2024:

	Commercial properties Level 2	Commercial properties Level 3
Value as at 31 December 2023	1,201,337,300.00	39,484,369,743.91
Acquisition for the year	–	42,501,194.21
Transfer from inventories/fixed assets/construction in progress	–	2,826,625,917.46
Disposal for the year	–	(150,865,820.43)
Others	–	(1,156,799,904.09)
Changes in fair value	<u>33,108,871.56</u>	<u>642,574,246.23</u>
Value as at 31 December 2024	<u>1,234,446,171.56</u>	<u>41,688,405,377.29</u>

Details of removal from investment properties are set out in Note V. 17.

In 2024, there was no change between different fair value levels of investment properties of the Group.

The following sets forth the valuation method and key inputs used for the valuation of fair value of the investment properties for 2024:

Valuation method	Significant unobservable inputs	Range of variation
Income approach	Unit rental (RMB/sq.m./day)	1.4-11.89
	Return on investment within the lease term	2%-7%
	Return on investment beyond the lease term	2.5%-7.5%

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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IX. DISCLOSURE OF FAIR VALUE *(continued)*

4. Information on adjustment of persistent measurement of level-3 fair value and sensitivity analysis of unobservable inputs

The Group's finance team is led by the manager of the finance and capital department, and is responsible for formulating policies and procedures for the fair value measurement of financial instruments. The finance team reports directly to the chief financial officer and the Audit Committee. As at each balance sheet date, the finance team analyses changes in the values of financial instruments and determines the main inputs applicable to the valuation, and the valuation must be reviewed and approved by the chief financial officer. For the purpose of preparing interim and annual financial statements, the finance team meets the Audit Committee twice a year to discuss the valuation process and results.

Investments in unlisted equity instruments are estimated at fair value using the market approach based on unobservable market prices or interest rate assumptions. The Group needs to determine comparable public companies based on industry, size, leverage and strategy, and calculates an appropriate market multiplier, such as enterprise value multiplier, price to earnings multiplier, for each comparable public company identified. Adjustments are made based on specific facts and circumstances of the Company, taking into account factors such as differences in liquidity and size between comparable public companies. The Group believes that the fair value and its changes estimated using valuation techniques is reasonable and the most appropriate value as of the balance sheet date. For the fair value of investment in unlisted equity instrument, the Group estimated the potential impact of using other reasonable and probable assumptions as inputs to the valuation model.

Information on adjustment of persistent measurement of level-3 fair value is as follows:

2024

	Opening balance	Transfer into level 3	Transfer out of level 3	Total profit or loss for the current period		Purchase	Sale	Closing balance
				Included in profit or loss	Included in other comprehensive income			
Equity instrument investment	190,457,572.12	-	-	-	57,701,135.94	345,400.00	-	248,504,108.06
Investment properties	39,484,369,743.91	2,826,625,917.46	(1,156,799,904.09)	642,574,246.23	-	42,501,194.21	(150,865,820.43)	41,688,405,377.29
Total	39,674,827,316.03	2,826,625,917.46	(1,156,799,904.09)	642,574,246.23	57,701,135.94	42,846,594.21	(150,865,820.43)	41,936,909,485.35

Notes to Financial Statements (continued)

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IX. DISCLOSURE OF FAIR VALUE (continued)**4. Information on adjustment of persistent measurement of level-3 fair value and sensitivity analysis of unobservable inputs** (continued)

Information on adjustment of persistent measurement of level-3 fair value is as follows: (continued)

2023

	Opening balance	Transfer into level 3	Transfer out of level 3	Total profit or loss for the current period		Purchase	Sale	Closing balance
				Included in profit or loss	Included in other comprehensive income			
Equity instrument investment	198,035,509.21	-	-	-	(9,977,937.09)	2,400,000.00	-	190,457,572.12
Investment properties	34,217,044,026.95	4,601,109,283.13	(153,777,992.58)	1,034,344,888.37	-	36,131,087.20	(250,481,549.16)	39,484,369,743.91
Total	34,415,079,536.16	4,601,109,283.13	(153,777,992.58)	1,034,344,888.37	(9,977,937.09)	38,531,087.20	(250,481,549.16)	39,674,827,316.03

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS**1. Parent company**

	Place of registration	Business nature	Registered capital RMB'000	Proportion of shareholding (%)	Proportion of votes (%)
BSCOMC	Beijing	Investment and investment management, assets management, as well as the organization of the restructuring or merger of assets of enterprises	50,000,000.00	45.26	45.26

2. Subsidiaries

For details on the subsidiaries, please refer to Note VII. 1. Interests in the subsidiaries.

3. Joint ventures and associates

For details on the joint ventures and associates, please refer to Note VII. 3.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

4. Other related parties

	Relationship with related parties
Beijing XinYuan Concrete Co., Ltd.	Associates
Tianjin Huanbohai Technology Development Co., Ltd. (天津市環渤海科技發展有限公司)	Associates
Jidong Heidelberg (Shaanxi) Logistics Co., Ltd.	Subsidiary of a joint venture
Mamba Cement Company (Pty) Ltd (RF)	Subsidiary of a joint venture

5. Related party transactions

(1) Transactions concerning goods and services with related parties

Purchase of goods and receipt of services from related parties

Contents of transactions		2024	2023
Transactions with joint ventures and associates			
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	Purchase of goods/receipt of services	10,527,814.61	4,619,857.57
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	Purchase of goods/receipt of services	5,590,690.82	11,235,190.20
Tangshan Conch Profiles Co., Ltd.	Purchase of goods/receipt of services	3,228,810.60	2,022,427.71
Jidong Heidelberg (Shaanxi) Logistics Co., Ltd.	Purchase of goods/receipt of services	2,845,056.03	2,323,084.62
Jidong Cement Fufeng Transportation Co., Ltd.	Purchase of goods	2,667,150.62	3,130,157.19
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd	Purchase of goods/receipt of services	2,192,222.42	1,682,336.30
Tangshan Caofeidian Dunshi New Building Material Co., Ltd.	Purchase of goods	132,497.70	–
Zehnder (China) Indoor Climate Co., Ltd.	Receipt of services	23,149.22	4,949,160.96
STAR-USG Building Materials Co., Ltd.	Receipt of services	–	934,833.15
Tianjin Yaopi Glass Co., Ltd.	Purchase of goods	–	10,164.00
Total		27,207,392.02	30,907,211.70

Notes to Financial Statements (continued)

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)**5. Related party transactions** (continued)**(1) Transactions concerning goods and services with related parties** (continued)

Sale of goods and rendering of services to related parties

	Contents of transactions	2024	2023
Transactions with joint ventures and associates			
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	Sale of goods/rendering of services	268,427,631.22	257,163,498.94
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	Sale of goods/rendering of services	221,378,378.79	287,571,161.37
Anshan Jidong Cement Co., Ltd.	Sale of goods/rendering of services	56,727,039.71	55,658,716.10
Zehnder (China) Indoor Climate Co., Ltd.	Rendering of services	–	2,608,932.53
Tangshan Caofeidian Dunshi New Building Material Co., Ltd.	Sale of goods/rendering of services	19,628,813.16	4,600,510.13
Mamba Cement Company (Pty) Ltd (RF)	Sale of goods/rendering of services	17,870,786.70	9,898,154.37
Jidong Heidelberg (Shaanxi) Logistics Co., Ltd.	Sale of goods/rendering of services	7,637,111.37	3,281,345.64
Toto Machinery (Beijing) Company Limited	Sale of goods/rendering of services	248,807.34	4,262,433.48
STAR-USG Building Materials Co., Ltd.	Sale of goods	–	56,226.41
Jidong Cement Fufeng Transportation Co., Ltd.	Sale of goods/rendering of services	2,138,929.85	585,100.89
BBMG TUS Technology Incubator Co., Ltd.	Rendering of services	–	1,245,939.44
Dahongmen (Beijing) Construction Development Co., Ltd. (大紅門(北京)建設發展有限公司)	Sale of goods	9,402.65	15,524.71
OCV Reinforcements (Beijing) Co., Ltd.	Sale of goods	44,869.92	18,345.13
Nanjing Huayu Real Estate Development Co., Ltd. (南京鐔隅房地產開發有限公司)	Sale of goods	(3,493,190.21)	18,374,778.10
Beijing Sinobaide Technology Co., Ltd.	Sale of goods	–	1,251,758.56
Beijing Yichang Real Estate Co., Ltd. (北京怡暢置業有限公司)	Rendering of services	–	2,199,876.49
Nanjing Huayu Decoration Engineering Co., Ltd. (南京鐔隅裝飾工程有限公司)	Sale of goods	7,766,775.98	–
Beijing Qiyuan Development and Construction Co., Ltd. (北京啟苑開發建設有限公司)	Sale of goods	16,577,302.76	–
Shenyang Easyhome Enterprise Management Co., Ltd. (瀋陽居然企業管理有限公司)	Rendering of services	2,339,908.26	–
Beijing Jinzhu Xingye Real Estate Development Co., Ltd. (北京金住興業房地產開發有限公司)	Rendering of services	–	607,594.36
Total		624,288,947.92	649,399,896.65

Purchase/sale of goods and receipt/rendering of services from/to related parties by the Group are negotiated and determined based on market price, and carried out according to the agreed terms entered into between the Group and related parties.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

5. Related party transactions *(continued)*

(2) Leases with related parties

As lessor

Name of the lessee	Category of leased assets	2024 Rental income	2023 Rental income
STAR-USG Building Materials Co., Ltd.	Building	11,946,663.45	9,105,588.04

As lessee

Name of the lessor	Category of leased assets	2024 Leasing expenses	2023 Leasing expenses
Easyhome	Building	21,955,806.51	–
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	Building	190,476.16	285,714.24
Total		22,146,282.67	285,714.24

The rentals from the assets leased out to or leased from related parties by the Group are negotiated and determined by making reference to market price, and carried out according to the agreed terms entered into between the Group and related parties

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** (continued)**5. Related party transactions** (continued)**(3) Guarantees received from/provided to related parties**

Guarantees provided to related parties

2024

	Guaranteed party	Amount guaranteed	Starting date	Maturity date	Completion of performance of guarantee or not
Jidong Cement	Anshan Jidong Cement Co., Ltd.	20,000,000.00	27 May 2024	26 May 2025	No
Jidong Cement	Anshan Jidong Cement Co., Ltd.	5,000,000.00	28 June 2024	28 May 2025	No
Jidong Cement	Anshan Jidong Cement Co., Ltd.	15,000,000.00	15 October 2024	14 October 2025	No
Jidong Cement	Anshan Jidong Cement Co., Ltd.	10,000,000.00	24 October 2024	28 June 2025	No
Jidong Cement	Anshan Jidong Cement Co., Ltd.	10,000,000.00	15 November 2024	14 November 2025	No
Jidong Cement	Anshan Jidong Cement Co., Ltd.	15,000,000.00	16 December 2024	16 December 2025	No
BBMG	Nanjing Huayu Real Estate Development Co., Ltd. (南京 犒房地產開發有限公司)	350,000,000.00	11 October 2024	24 September 2029	No
Total		<u>425,000,000.00</u>			

2023

	Guaranteed party	Amount guaranteed	Starting date	Maturity date	Completion of performance of guarantee or not
Jidong Cement	Anshan Jidong Cement Co., Ltd.	5,000,000.00	10 July 2023	29 July 2024	No
Jidong Cement	Anshan Jidong Cement Co., Ltd.	15,000,000.00	30 May 2023	29 May 2024	No
Jidong Cement	Anshan Jidong Cement Co., Ltd.	15,000,000.00	15 December 2023	15 December 2024	No
Jidong Cement	Anshan Jidong Cement Co., Ltd.	10,000,000.00	27 October 2023	26 October 2024	No
Jidong Cement	Anshan Jidong Cement Co., Ltd.	25,000,000.00	27 November 2023	23 November 2024	No
Beijing BBMG Real Estate Development Group Co., Ltd.	Beijing Zhongtai Jinjian Real Estate Development Co., Ltd. (北京中泰金 建房地產開發有限公司)	11,652,990.51	11 October 2022	10 October 2025	No
BBMG	Nanjing Huayu Real Estate Development Co., Ltd. (南京犒房地產開發有 限公司)	526,736,600.00	21 March 2022	21 March 2025	No
Total		<u>608,389,590.51</u>			

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

5. Related party transactions *(continued)*

(4) Borrowings from/lending to related parties

Borrowings

2024

	Amount of lending/ borrowing		
	Commencement date	Maturity date	
BSCOMC	60,000,000.00	1 April 2024	1 April 2025
BSCOMC	110,000,000.00	28 June 2024	27 June 2025
BSCOMC	120,550,000.00	2 December 2024	2 December 2025
BSCOMC	300,760,000.00	26 December 2024	25 December 2025
Total	591,310,000.00		

2023

	Amount of lending/ borrowing		
	Commencement date	Maturity date	
BSCOMC	60,000,000.00	31 March 2023	31 March 2024
BSCOMC	110,000,000.00	28 June 2023	28 June 2024
BSCOMC	70,000,000.00	22 September 2023	22 September 2024
BSCOMC	20,550,000.00	20 October 2023	20 October 2024
BSCOMC	300,760,000.00	26 December 2023	26 December 2024
Total	561,310,000.00		

Lending

In 2024, the balance of outstanding lending by the Group to Nanjing Huayu Real Estate Development Co., Ltd. (南京鉞隅房地產開發有限公司) amounted to RMB170,000,000.00, with an annual interest rate of 6.00%.

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)***5. Related party transactions** *(continued)***(4) Borrowings from/lending to related parties** *(continued)**Interest income from lending*

	2024	2023
Beijing Yichang Real Estate Co., Ltd. (北京怡暢置業有限公司)	14,259,238.00	13,415,356.93
Beijing Zhongtai Jinjian Real Estate Development Co., Ltd. (北京中泰金建房地產開發有限公司)	-	700,134.10
Nanjing Huayu Real Estate Development Co., Ltd. (南京鐔隅 房地產開發有限公司)	8,046,931.70	9,003,879.44
Cross Point Trading 274 (Pty) Ltd (RF)	6,618,024.65	21,364,594.54
STAR-USG Building Materials Co., Ltd.	503,269.43	1,146,958.61
Beijing Jinzhu Xingye Real Estate Development Co., Ltd. (北京金住興業房地產開發有限公司)	-	37,803,931.46
Total	29,427,463.78	83,434,855.08

Interest expenses from borrowing

	2024	2023
BSCOMC	15,786,282.60	18,462,819.83

Other related party transaction

	2024	2023
Beijing Zhongtai Jinjian Real Estate Development Co., Ltd. (北京中泰金建房地產開發有限公司)	2,501,756.10	-

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Balances of receivables from and payment to related parties

Financing receivables

	2024		2023	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Due from associates				
Jidong Cement Fufeng Transportation Co., Ltd.	74,702.00	-	-	-
	<u>74,702.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Due from joint ventures				
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	3,142,008.00	-	3,067,512.00	-
Jidong Heidelberg (Shaanxi) Logistics Co., Ltd.	718,197.90	-	-	-
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	-	-	460,125.00	-
	<u>3,860,205.90</u>	<u>-</u>	<u>3,527,637.00</u>	<u>-</u>
Total	<u>3,934,907.90</u>	<u>-</u>	<u>3,527,637.00</u>	<u>-</u>

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** (continued)**6. Balances of receivables from and payment to related parties** (continued)**Accounts receivable**

	2024		2023	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Due from associates				
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	18,386,287.44	10,272,749.11	19,035,359.92	9,670,350.74
Beijing Easyhome Shilihe Home Building Materials Market Co., Ltd. (北京居然之家十裡河家居建材市場有限公司)	6,507,546.61	–	–	–
Nanjing Huayu Real Estate Development Co., Ltd. (南京鐸隅房地產開發有限公司)	3,773,731.74	–	8,485,506.10	193,307.39
Beijing Easyhome Home Building Materials Market Co., Ltd. (北京居然之家家居建材市場有限公司)	2,321,682.94	–	–	–
Nanjing Huayu Decoration Engineering Co., Ltd. (南京鐸隅裝飾工程有限公司)	1,858,418.20	–	122,685.29	–
Beijing Yichang Real Estate Co., Ltd. (北京怡暢置業有限公司)	1,712,505.00	103,896.25	1,991,829.00	99,591.45
Jidong Cement Fufeng Transportation Co., Ltd.	1,664,084.96	–	–	–
Beijing Jinzhu Xingye Real Estate Development Co., Ltd. (北京金住興業房地產開發有限公司)	1,081,893.00	125,426.25	475,658.00	23,782.90
Shenyang Easyhome Enterprise Management Co., Ltd. (瀋陽居然企業管理有限公司)	1,036,700.00	–	–	–
Beijing Easyhome Shopping Mall Co., Ltd. (北京居然之家購物中心有限公司)	691,150.51	–	–	–
Beijing Easyhome Home Building Material Commercial Management Co., Ltd. (北京居然之家家居建材商業管理有限公司)	597,017.30	–	–	–

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Balances of receivables from and payment to related parties *(continued)*

Accounts receivable (continued)

	2024		2023	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Due from associates				
<i>(continued)</i>				
Beijing Easyhome Jinyuan Home Building Materials Market Co., Ltd. (北京居然之家金源家居建材市場有限公司)	584,944.46	–	–	–
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	493,515.00	24,955.75	12,975.00	648.75
Shenyang Easyhome Shopping Plaza Co., Ltd. (瀋陽居然之家購物廣場有限公司)	262,463.31	–	–	–
Beijing Easyhome Yuquanying Home Building Materials Market Co., Ltd. (北京居然之家玉泉營家居建材市場有限公司)	157,786.12	–	–	–
Zhongfang Huarui (Tangshan) Real Estate Co., Ltd.	142,377.45	32,108.21	243,307.86	19,553.83
Beijing Easyhome Shunxi Road Home Building Materials Market Co., Ltd. (北京居然之家順西路家居建材市場有限公司)	80,356.61	–	–	–
Hohhot Easyhome Home Building Materials Market Co., Ltd. (呼和浩特市居然之家家居建材市場有限責任公司)	57,213.90	–	–	–
Beijing Sinobaide Technology Co., Ltd.	42,432.97	–	244,273.00	2,442.73
Xi'an Qujiang New District Easyhome Shopping Mall Co., Ltd. (西安曲江新區居然之家購物中心有限公司)	15,471.03	–	–	–
Toto Machinery (Beijing) Company Limited	13,560.00	–	11,680.00	3,059.20

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** (continued)**6. Balances of receivables from and payment to related parties** (continued)**Accounts receivable** (continued)

	2024		2023	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Due from associates <i>(continued)</i>				
Beijing Easyhome Zaoyuan Road Shopping Mall Co., Ltd. (北京居然之家棗園路購物中心有限公司)	6,259.07	–	–	–
Hebei Jiaotou Green Building Materials Co., Ltd. (河北交投綠色建材有限公司)	–	–	557,973.96	53,518.96
	41,487,397.62	10,559,135.57	31,181,248.13	10,066,255.95
Due from joint ventures				
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	8,263,344.22	–	5,254,692.57	1,500.00
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	7,252,045.45	427,999.99	5,068,829.44	0.01
Mamba Cement Company (Pty) Ltd (RF)	6,963,704.40	1,562,764.76	2,907,549.10	1,553,374.61
Jidong Heidelberg (Shaanxi) Logistics Co., Ltd.	4,076,105.50	–	13,339.59	–
Tangshan Caofeidian Dunshi New Building Material Co., Ltd.	2,682,508.55	–	1,319,723.33	–
Anshan Jidong Cement Co., Ltd.	2,080,220.62	–	4,656,493.32	4,999.99
STAR-USG Building Materials Co., Ltd.	–	–	171,116.38	–
	31,317,928.74	1,990,764.75	19,391,743.73	1,559,874.61
Total	72,805,326.36	12,549,900.32	50,572,991.86	11,626,130.56

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Balances of receivables from and payment to related parties *(continued)*

Prepayments

	2024		2023	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Prepayments to associates				
Beijing Easyhome Home Building Material Market Co., Ltd. (北京居然之家家居建材市場有限公司)	2,042,996.47	137,155.23	–	–
Baoding Easyhome Commercial Management Co., Ltd. (保定居然之家商業管理有限公司)	208,382.19	8,335.29	–	–
Taiyuan Easyhome Hexi Home Decoration Co., Ltd. (太原居然之家河西家居有限公司)	142,680.40	5,655.58	–	–
Beijing Easyhome Home Building Materials Commercial Management Co., Ltd. (北京居然之家家居建材商業管理有限公司)	139,756.91	14,799.66	–	–
Beijing Easyhome Shilihe Home Building Materials Market Co., Ltd. (北京居然之家十裡河家居建材市場有限公司)	74,409.38	20,044.60	–	–
Tianjin Easyhome Home Building Materials Co., Ltd. (天津居然之家家居建材有限公司)	24,324.04	–	–	–
Beijing Easyhome Shunxi Road Home Building Materials Market Co., Ltd. (北京居然之家順西路家居建材市場有限公司)	22,394.52	–	–	–
Hohhot Easyhome Home Building Materials Market Co., Ltd. (呼和浩特市居然之家家居建材市場有限責任公司)	7,101.89	–	–	–
Beijing Easyhome Yuquanying Commercial Management Co., Ltd. (北京居然之家玉泉營商業管理有限公司)	6,000.00	240.00	–	–

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** (continued)**6. Balances of receivables from and payment to related parties** (continued)**Prepayments** (continued)

	2024		2023	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Prepayments to associates (continued)				
Shijiazhuang Easyhome Decoration Engineering Co., Ltd. (石家莊居然之家裝飾工程有限公司)	4,200.00	–	–	–
Shijiazhuang Easyhome Shopping Mall Co., Ltd. (石家莊居然之家購物中心有限公司)	4,200.00	168.00	–	–
Beijing Easyhome Jinyuan Home Building Materials Market Co., Ltd. (北京居然之家金源家居建材市場有限公司)	575.00	23.00	–	–
Zehnder (China) Indoor Climate Co., Ltd.	17,707.20	–	60,310.61	–
	2,694,728.00	186,421.36	60,310.61	–
Prepayments to joint ventures				
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	698,220.38	–	549,822.26	–
Tangshan Caofeidian Dunshi New Building Material Co., Ltd.	23,489.19	–	413.24	–
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	7,426,676.17	–	8,144,712.44	2,884.80
	8,148,385.74	–	8,694,947.94	2,884.80
Total	10,843,113.74	186,421.36	8,755,258.55	2,884.80

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Balances of receivables from and payment to related parties *(continued)*

Other receivables

	2024		2023	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Due from associates				
Zhongfang Huarui (Tangshan) Real Estate Co., Ltd.	440,355,531.95	4,416,649.57	441,664,957.20	4,414,079.49
Tianjin Shengxiang Plastic Pipes Industry Co., Ltd.	106,278,131.00	104,943,131.00	–	–
Beijing Xinyuan Concrete Co., Ltd.	97,732,500.43	97,630,638.43	97,732,500.43	97,642,638.43
Nanjing Huayu Real Estate Development Co., Ltd. (南京鐔隅房地產開發有限公司)	41,891,154.14	–	33,602,374.77	–
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	10,474,191.25	10,353,438.84	10,474,154.68	–
Beijing Zhongtai Jinjian Real Estate Development Co., Ltd. (北京中泰金建房地產開發有限公司)	3,618,080.01	–	1,116,323.91	–
Hebei Jiaotou Green Building Materials Co., Ltd. (河北交投綠色建材有限公司)	520,000.00	228,800.00	520,000.00	62,400.00
Beijing Easyhome Home Building Materials Market Co., Ltd.	363,505.01	2,387.58	–	–
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	285,672.26	2,856.72	211,085.20	2,110.85
Shijiazhuang Easyhome Decoration Engineering Co., Ltd. (石家莊居然之家裝飾工程有限公司)	268,668.68	2,686.69	–	–
Beijing Chenyu Real Estate Development Co., Ltd.	265,632.15	–	59,216.70	–
Beijing Sinobaide Technology Co., Ltd.	230,000.00	–	2,760,000.00	–
Taiyuan Easyhome Hexi Home Decoration Co., Ltd. (太原居然之家河西家居有限公司)	213,192.98	1,000.00	–	–

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)***6. Balances of receivables from and payment to related parties** *(continued)***Other receivables** *(continued)*

	2024		2023	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Due from associates <i>(continued)</i>				
Beijing Easyhome Shilihe Home Building Materials Market Co., Ltd. (北京居然之家十裡河家居建材市場有限公司)	199,573.17	71,037.26	–	–
Beijing Easyhome Yuquanying Commercial Management Co., Ltd. (北京居然之家玉泉營業管理有限公司)	174,645.61	1,746.46	–	–
Xi'an Qujiang New District Easyhome Shopping Mall Co., Ltd. (西安曲江新區居然之家購物中心有限公司)	174,370.24	29.29	–	–
Shenyang Easyhome Shopping Plaza Co., Ltd. (瀋陽居然之家購物廣場有限公司)	162,039.50	–	–	–
Beijing Easyhome Yuquanying Home Building Materials Market Co., Ltd. (北京居然之家玉泉營家居建材市場有限公司)	152,656.28	–	–	–
Taiyuan Easyhome Home Decoration Co., Ltd. (太原居然之家家居有限公司)	145,754.15	–	–	–
Beijing Easyhome Jinyuan Home Building Materials Market Co., Ltd. (北京居然之家金源家居建材市場有限公司)	139,799.28	–	–	–
Xi'an Easyhome Home Building Materials Co., Ltd. (西安居然之家家居建材有限公司)	110,000.00	–	–	–

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Balances of receivables from and payment to related parties *(continued)*

Other receivables (continued)

	2024		2023	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Due from associates				
<i>(continued)</i>				
Baoding Easyhome Commercial Management Co., Ltd. (保定居然之家商業管理有限公司)	100,000.00	1,000.00	–	–
Beijing Easyhome Home Building Materials Commercial Management Co., Ltd. (北京居然之家家居建材商業管理有限公司)	40,991.94	11,879.01	–	–
Beijing Easyhome Shopping Mall Co., Ltd. (北京居然之家購物中心有限公司)	37,446.43	7,058.13	–	–
Beijing Easyhome Shunxi Road Home Building Materials Market Co., Ltd. (北京居然之家順西路家居建材市場有限公司)	35,986.47	–	–	–
Beijing Easyhome Yangzhuang Home Building Materials Co., Ltd. (北京居然之家楊莊家居建材有限公司)	3,282.43	342.88	–	–
Beijing Easyhome Investment Holding Group Co., Ltd.	3,000.00	3,000.00	–	–
Tangshan Conch Profiles Co., Ltd.	1,000.00	10.00	–	–
Tianjin Huanbohai Technology Development Co., Ltd. (天津市環渤海科技發展有限公司)	–	–	340,000.00	–
	703,976,805.36	217,677,691.86	588,480,612.89	102,121,228.77

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)***6. Balances of receivables from and payment to related parties** *(continued)***Other receivables** *(continued)*

	2024		2023	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Due from joint ventures				
Hebei Xiongan Zhitong Technology Co., Ltd.	2,066,643.43	–	5,061,117.77	–
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	1,408,644.00	–	815,988.00	–
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	1,275,260.00	–	467,000.00	–
Dahongmen (Beijing) Construction Development Co., Ltd. (大紅門(北京)建設發展有限公司)	1,000,000.00	–	1,000,000.00	–
Tangshan Caofeidian Dunshi New Building Material Co., Ltd.	440,000.00	–	260,000.00	–
Anshan Jidong Cement Co., Ltd.	34,560.00	–	74,476.67	–
STAR-USG Building Materials Co., Ltd.	–	–	15,253,644.49	9,113,985.00
	6,225,107.43	–	22,932,226.93	9,113,985.00
Total	710,201,912.79	217,677,691.86	608,652,839.82	111,235,213.77

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Balances of receivables from and payment to related parties *(continued)*

Long-term receivables

	2024		2023	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Due from associates				
Nanjing Huayu Real Estate Development Co., Ltd. (南京緯隅房地產開發有限公司)	301,916,913.00	1,319,169.13	132,158,760.67	1,319,169.13
Beijing Yichang Real Estate Co., Ltd. (北京怡暢置業有限公司)	233,758,000.00	2,337,580.00	269,173,768.77	2,337,580.00
	<u>535,674,913.00</u>	<u>3,656,749.13</u>	<u>401,332,529.44</u>	<u>3,656,749.13</u>
Due from joint ventures				
Cross Point Trading 274 (Pty) Ltd (RF)	83,520,004.34	–	135,445,645.15	–
Total	<u>619,194,917.34</u>	<u>3,656,749.13</u>	<u>536,778,174.59</u>	<u>3,656,749.13</u>

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** (continued)**6. Balances of receivables from and payment to related parties** (continued)**Accounts payable**

	2024	2023
Due to associates		
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	3,889,086.05	2,097,380.02
Beijing Sinobaide Technology Co., Ltd.	245,337.28	3,045,589.54
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	14,933,496.65	15,333,496.65
Beijing Xinyuan Concrete Co., Ltd.	-	96,015.25
Zehnder (China) Indoor Climate Co., Ltd.	95,000.00	96,000.00
Jidong Cement Fufeng Transportation Co., Ltd.	1,009.44	18,093.00
Tianjin Shengxiang Plastic Pipes Industry Co., Ltd.	185,326.14	185,326.14
Tangshan Conch Profiles Co., Ltd.	1,017,955.21	2,639,379.45
Tianjin Yaopi Glass Co., Ltd.	-	10,164.00
Beijing Easyhome Shilihe Home Building Materials Market Co., Ltd. (北京居然之家十裡河家居建材市場有限公司)	40,750.55	-
Beijing Easyhome Home Building Material Market Co., Ltd. (北京居然之家家居建材市場有限公司)	398,481.98	-
Beijing Easyhome Yuquanying Home Building Materials Market Co., Ltd. (北京居然之家玉泉營家居建材市場有限公司)	174,195.23	-
Beijing Easyhome Shopping Mall Co., Ltd. (北京居然之家購物中心有限公司)	38,067.25	-
Xi'an Qujiang New District Easyhome Shopping Mall Co., Ltd. (西安曲江新區居然之家購物中心有限公司)	7,568.00	-
Beijing Easyhome Jinyuan Home Building Materials Market Co., Ltd. (北京居然之家金源家居建材市場有限公司)	81,994.18	-
	21,108,267.96	23,521,444.05
Due to joint ventures		
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	2,518,241.67	11,118.00
Anshan Jidong Cement Co., Ltd.	1,639,027.94	1,639,027.94
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	479,204.70	1,150.51
Jidong Heidelberg (Shaanxi) Logistics Co., Ltd.	97,243.30	-
STAR-USG Building Materials Co., Ltd.	388,533.04	1,056,361.51
	5,122,250.65	2,707,657.96
Total	26,230,518.61	26,229,102.01

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Balances of receivables from and payment to related parties *(continued)*

Contract liabilities

	2024	2023
Associates		
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	1,126.70	1,126.70
Toto Machinery (Beijing) Company Limited	162,932.55	162,932.55
Jidong Cement Fufeng Transportation Co., Ltd.	–	20,915.49
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	66,692.38	33,346.19
	<u>230,751.63</u>	<u>218,320.93</u>
Joint ventures		
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	–	7,488,211.87
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	3,721,298.27	6,830,188.96
Jidong Heidelberg (Shaanxi) Logistics Co., Ltd.	26,337.96	–
Anshan Jidong Cement Co., Ltd.	1,417,699.12	–
BBMG TUS Technology Incubator Co., Ltd.*	–	49,611.53
	<u>5,165,335.35</u>	<u>14,368,012.36</u>
Total	<u>5,396,086.98</u>	<u>14,586,333.29</u>

* On 21 June 2024, the Group began to have substantial control over TUS Incubator, holding 75% of its equity interests. As a result, TUS Incubator became a subsidiary of the Group. For further details, refer to Note VI. 1. Business combinations not under common control.

Advances from customers

	2024	2023
Toto Machinery (Beijing) Company Limited	1,314,285.68	1,314,285.68
Total	<u>1,314,285.68</u>	<u>1,314,285.68</u>

Bills payable

	2024	2023
STAR-USG Building Materials Co., Ltd.	6,365,400.00	1,646,300.00
Beijing Sinobaide Technology Co., Ltd.	–	57,100.00
Total	<u>6,365,400.00</u>	<u>1,703,400.00</u>

Notes to Financial Statements (continued)For the year ended 31 December 2024
RMB**X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** (continued)**6. Balances of receivables from and payment to related parties** (continued)**Other payables**

	2024	2023
Due to associates		
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	96,282.52	14,711.38
Tianjin Shengxiang Plastic Pipes Industry Co., Ltd.	1,386,323.95	1,386,323.95
OCV Reinforcements (Beijing) Co., Ltd.	5,000.00	134,200.00
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	100,000.00	10,000.00
Beijing Chenyu Real Estate Development Co., Ltd.	416,500,000.00	416,500,000.00
Beijing Jinzhu Xingye Real Estate Development Co., Ltd. (北京金住興業房地產開發有限公司)	73,533,954.04	33,954.04
Beijing Zhongtai Jinjian Real Estate Development Co., Ltd. (北京中泰金建房地產開發有限公司)	197,200,000.00	170,000,000.00
Hebei Jiaotou Green Building Materials Co., Ltd. (河北交投綠色建材有限公司)	-	57,000.00
	688,821,560.51	588,136,189.37
Due to joint ventures		
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	100,000.00	140.16
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	100,000.00	-
Jidong Heidelberg (Shaanxi) Logistics Co., Ltd.	4,000.00	-
Beijing Jinyu Vanke Real Estate Development Co., Ltd. (北京金隅萬科房地產開發有限公司)	25,752,358.12	25,752,358.12
	25,956,358.12	25,752,498.28
Total	714,777,918.63	613,888,687.65

Short-term loans

	2024	2023
BSCOMC	591,310,000.00	561,310,000.00

7. Remuneration for key management personnel

	2024	2023
Remuneration for key management personnel	16,739,970.35	17,314,100.00

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

XI. COMMITMENTS AND CONTINGENCIES

1. Important commitments

	2024	2023
Asset acquisition or construction contracts entered into but not completed	617,694,269.02	917,589,823.48
Property development contracts entered into and being executed or will be executed	<u>3,304,521,419.90</u>	<u>5,771,393,707.41</u>
Total	<u>3,922,215,688.92</u>	<u>6,688,983,530.89</u>

2. Contingencies

		2024	2023
Provision of guarantee on housing mortgage to third parties	Note 1	5,389,952,018.45	7,998,233,302.70
Provision of guarantee on loans and others to third parties	Note 2	727,000,000.00	775,000,000.00
Provision of guarantee on loans and others to related parties	Note 3	<u>425,000,000.00</u>	<u>608,389,590.51</u>
Total		<u>6,541,952,018.45</u>	<u>9,381,622,893.21</u>

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 guarantee obligations will be released upon obtaining building ownership certificates and completion of formalities of housing mortgage by the homebuyers. The management is of the opinion that in the event of default in payments, the net realizable value of the relevant properties is still sufficient to cover the outstanding mortgage principals together with the accrued interests and penalties, and therefore no provision for the guarantees has been made in the financial statements.

Note 2: Jidong Development Group Co., Ltd., a subsidiary of the Group, provided a guarantee with joint obligations on the borrowings of RMB700,000,000.00 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. Zhejiang Jinyu Hangjia Green Building Technology Co., Ltd. (浙江金隅杭加綠建科技有限公司), a subsidiary of the Group, provided a guarantee with joint obligations on the borrowings of RMB27,000,000.00 for Wangying Ruyicang Supply Chain Co., Ltd. (網贏如意倉供應鏈有限公司). The guarantee will expire on 6 April 2025.

Note 3: The Company provided a guarantee for the bank loan project of Nanjing Huayu Real Estate Development Co., Ltd., an associate of the Group, with an amount of RMB350,000,000.00. The guarantee will expire in September 2029. Tangshan Jidong Cement Co., Ltd., a subsidiary of the Group, provided guarantees with joint obligations on six borrowings of RMB5,000,000.00, RMB10,000,000.00, RMB10,000,000.00, RMB15,000,000.00, RMB15,000,000.00 and RMB20,000,000.00, respectively, for Anshan Jidong Cement Co., Ltd., which will expire on 28 June 2025, 28 June 2025, 14 November 2025, 14 October 2025, 16 December 2025 and 26 May 2025, respectively.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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XII. EVENTS AFTER BALANCE SHEET DATE

As considered and approved at the 9th meeting of the seventh session of the Board of Directors held on 28 March 2025, the Company intended to distribute a cash dividend of RMB0.5 (including tax) per 10 shares to all shareholders based on the total share capital of 10,677,771,134 shares at the end of 2024, totaling RMB533,888,556.70.

As considered and approved at the 9th meeting of the seventh session of Board of Directors held on 28 March 2025, the Company intended to change accounting estimates in relation to the depreciable life of fixed assets. Such change is expected to have an impact on depreciation expense of the Company in future period, and the specific amount of the impact will be subject to the carrying amount of fixed assets and changed depreciation policy. According to relevant provisions of the Accounting Standards for Business Enterprises, such change is a change in accounting estimate. It will be accounted for using the prospective application method and became effective on 1 January 2025. No retroactive adjustments on the previous financial statements are required.

XIII. OTHER SIGNIFICANT MATTERS

1. Segment reporting

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

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

Segment assets and segment liabilities exclude unallocated assets and liabilities of the headquarters as these assets and liabilities are under the unified management of the Group.

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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XIII. OTHER SIGNIFICANT MATTERS *(continued)*

1. Segment reporting *(continued)*

2024

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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XIII. OTHER SIGNIFICANT MATTERS *(continued)***1. Segment reporting** *(continued)*

2023

	Modern green building materials	Property development and operation	Unallocated assets/ liabilities/expenses of the headquarters	Adjustments and eliminations	Total
Revenue from external transactions	78,417,112,676.59	29,538,566,881.43	-	-	107,955,679,558.02
Revenue from inter-segment transactions	1,051,422,583.30	586,247,464.61	-	(1,637,670,047.91)	-
Total	79,468,535,259.89	30,124,814,346.04	-	(1,637,670,047.91)	107,955,679,558.02
Gains on investment in joint ventures and associates	71,010,722.99	(25,885,374.03)	-	-	45,125,348.96
Asset impairment losses	(307,791,475.37)	(1,550,999,874.81)	-	-	(1,858,791,350.18)
Credit impairment losses	(172,402,535.05)	48,570,700.32	-	-	(123,831,834.73)
Depreciation and amortisation costs	4,724,735,553.36	418,674,811.17	104,252,232.92	-	5,247,662,597.45
Total profits	(1,423,923,462.35)	2,049,741,025.43	(311,036,051.46)	(14,394,774.95)	300,386,736.67
Income tax expense	(5,977,066.79)	1,675,128,011.56	(77,759,012.87)	(3,598,693.74)	1,587,793,238.16
Total assets	113,677,887,593.71	191,233,087,038.61	158,429,598.19	(35,390,265,015.03)	269,679,139,215.48
Total liabilities	63,866,780,144.67	123,687,800,253.12	23,154,146,062.15	(35,393,958,061.32)	175,314,768,398.62
Long-term equity investment in joint ventures and associates	1,533,326,636.56	7,655,367,382.05	-	-	9,188,694,018.61
Increase in other non-current assets, excluding long-term equity investments	5,792,581,632.71	1,158,873,752.68	-	-	6,951,455,385.39

Other information*Information on products and labour services*

Operating revenue by product/service is set out in Note V. 52.

Geographical information

	2024	2023
Asia	110,550,394,061.46	107,822,058,250.39
Europe	144,429,847.16	116,805,838.15
Africa	16,995,490.12	16,815,469.48
Total	110,711,819,398.74	107,955,679,558.02

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

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

Information about major customers

In 2024 and 2023, no sales revenue from any one single customer of the Group accounted for more than 10% of the Group's revenue.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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XIII. OTHER SIGNIFICANT MATTERS *(continued)*

2. Remuneration for key management personnel

(1) Independent non-executive directors

The fees paid to independent non-executive directors during the year are as follows:

	2024	2023
Mr. Yu Fei	150,000.00	150,000.00
Mr. Liu Taigang	150,000.00	150,000.00
Ms. Li Xiaohui	-	37,500.00
Mr. Hong Yongmiao	150,000.00	150,000.00
Mr. Tam Kin Fong	150,000.00	150,000.00
Total	<u>600,000.00</u>	<u>637,500.00</u>

(2) Executive directors, non-executive directors and supervisors

The remuneration details of each director and supervisor as of 31 December 2024 are disclosed as follows:

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
Executive directors					
Mr. Jiang Yingwu	-	248,988.00	579,426.60	66,407.04	894,821.64
Mr. Gu Yu	-	248,724.00	367,090.60	66,407.04	682,221.64
Mr. Zheng Baojin	-	211,656.00	498,755.10	66,407.04	776,818.14
Mr. Jiang Changlu	-	211,656.00	506,688.90	66,407.04	784,751.94
Total	<u>-</u>	<u>921,024.00</u>	<u>1,951,961.20</u>	<u>265,628.16</u>	<u>3,138,613.36</u>
Non-executive directors					
Mr. Gu Tiemin	-	-	-	-	-
Ms. Hao Liwei	-	218,400.00	340,900.00	66,407.04	625,707.04
Total	<u>-</u>	<u>218,400.00</u>	<u>340,900.00</u>	<u>66,407.04</u>	<u>625,707.04</u>
Supervisors					
Mr. Zhang Qicheng*	-	90,000.00	316,945.00	27,112.80	434,057.80
Mr. Gao Jinliang	-	232,600.00	426,688.00	66,407.04	725,695.04
Mr. Qiu Peng	-	100,500.00	357,928.00	30,608.64	489,036.64
Mr. Wang Guijiang	-	213,600.00	457,812.00	66,407.04	737,819.04
Mr. Gao Junhua	-	207,600.00	436,688.00	66,407.04	710,695.04
Ms. Yu Yuehua	-	-	-	-	-
Mr. Fan Qinghai*	-	125,100.00	143,568.00	39,294.24	307,962.24
Total	<u>-</u>	<u>969,400.00</u>	<u>2,139,629.00</u>	<u>296,236.80</u>	<u>3,405,265.80</u>

* On 6 June 2024, Zhang Qicheng ceased to be the Company's supervisor, and Mr. Fan Qinghai was appointed as the new supervisor.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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XIII. OTHER SIGNIFICANT MATTERS *(continued)***2. Remuneration for key management personnel** *(continued)***(3) Five highest paid employees**

The remuneration details of the five highest paid employees for the year are as follows:

	2024	2023
Salaries, allowances and benefits in kind	1,763,300.00	2,020,100.00
Performance related bonuses	8,970,384.15	6,742,345.32
Pension scheme contributions	294,861.56	257,320.32
Total	11,028,545.71	9,019,765.64

The remuneration distribution of the non-director highest paid employees was as follows:

Remuneration amount of employees	2024	2023
Nil – HK\$1,000,000	–	–
HK\$1,000,000 – HK\$1,500,000	–	–
Over HK\$1,500,000	5	5
Total	5	5

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS**1. Other receivables****(1) Classification by nature**

	2024	2023
Interests receivable	2,156,740,736.50	1,415,844,374.69
Dividends receivable	80,333,159.14	80,333,159.14
Due from associates and joint ventures	–	15,153,644.49
Amounts due from subsidiaries	64,219,692,715.20	56,461,085,479.05
Other current account	243,721,020.30	116,935,778.98
	66,700,487,631.14	58,089,352,436.35
Less: Provision for bad debts of other receivables	14,492,366.62	23,606,351.62
Total	66,685,995,264.52	58,065,746,084.73

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

(continued)

1. Other receivables *(continued)*

(2) Disclosure by aging

	2024	2023
Within 1 year	21,884,393,715.24	27,153,066,701.48
1 to 2 years	16,269,912,705.99	2,121,440,375.83
2 to 3 years	1,298,932,104.02	8,003,284,286.20
3 to 4 years	7,187,608,090.20	8,432,839,262.32
4 to 5 years	7,956,072,849.66	5,602,364,186.00
Over 5 years	12,103,568,166.03	6,776,357,624.52
	66,700,487,631.14	58,089,352,436.35
Less: Provision for bad debts of other receivables	14,492,366.62	23,606,351.62
Total	66,685,995,264.52	58,065,746,084.73

(3) Provision for bad debts

The movements in provision for bad debts of other receivables measured based on the lifetime expected credit loss are as follows:

	Stage one Expected credit loss for the next 12 months	Stage two Lifetime expected credit loss (Not credit- impaired)	Stage three Lifetime expected credit loss (Credit- impaired)	Total
Opening balance	–	–	23,606,351.62	23,606,351.62
Reversal for the year	–	–	(9,113,985.00)	(9,113,985.00)
Closing balance	–	–	14,492,366.62	14,492,366.62

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS***(continued)***1. Other receivables** *(continued)***(4) Top five closing balance of other receivables by debtors**

31 December 2024

	Closing balance	Proportion (%)	Nature	Aging
First	10,773,847,353.15	16.15	Amounts due from subsidiaries	1-2 years
Second	6,386,192,679.16	9.57	Amounts due from subsidiaries	2-3 years, 4-5 years
Third	6,375,084,792.03	9.56	Amounts due from subsidiaries	Within 1 year
Fourth	5,731,986,888.05	8.59	Amounts due from subsidiaries	2-3 years, 3-4 years
Fifth	3,592,126,634.23	5.39	Amounts due from subsidiaries	2-3 years, over 5 years
Total	32,859,238,346.62	49.26		

31 December 2023

	Closing balance	Proportion (%)	Nature	Aging
First	13,763,871,932.86	23.69	Amounts due from subsidiaries	Within 1 year, 1-2 years, 2-3 years
Second	7,080,161,651.37	12.19	Amounts due from subsidiaries	Within 1 year, 1-2 years, 2-3 years
Third	6,517,231,780.88	11.22	Amounts due from subsidiaries	Within 1 year
Fourth	3,543,886,581.21	6.10	Amounts due from subsidiaries	2-3 years, 3-4 years
Fifth	3,487,133,948.87	6.00	Amounts due from subsidiaries	2-3 years, over 5 years
Total	34,392,285,895.19	59.20		

2. Other current assets

	2024	2023
Entrusted loans	728,088,929.83	642,310,000.00

Notes to Financial Statements (continued)

For the year ended 31 December 2024
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XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

3. Long-term equity investments

Cost method:

	Investment cost	Opening balance	Increase/decrease for the year	Closing balance	Percentage of shareholding (%)	Percentage of voting right (%)	Cash dividends for the year
Beijing BBMG Xingfa Science and Technology Co., Ltd.	464,740,918.29	1,421,740,918.29	-	1,421,740,918.29	96	96	-
Beijing Woodworking Factory Co., Ltd.	54,556,261.17	342,001,954.50	-	342,001,954.50	100	100	150,000,000.00
Beijing BBMG Tongda Fire-resistant Technology Co., Ltd.	537,421,261.73	537,421,261.73	-	537,421,261.73	93	93	14,000,000.00
BBMG New Building Materials Industrialization Group Co., Ltd.	3,428,029,200.49	5,776,459,192.79	1,000,000,000.00	6,776,459,192.79	100	100	-
Beijing BBMG Xinggang Technology Development Co., Ltd.	166,166,021.38	166,166,021.38	-	166,166,021.38	68	68	1,800,000.00
Beijing Building Materials Academy Co., Ltd.	194,167,784.68	246,317,784.68	-	246,317,784.68	100	100	-
BBMG GEM Real Estate Development Co., Ltd.	6,165,138,411.45	6,165,138,411.45	-	6,165,138,411.45	100	100	-
BBMG Investment Property Management Co., Ltd.	2,746,329,327.93	3,936,329,327.93	-	3,936,329,327.93	100	100	-
Beijing BBMG Real Estate Development Group Co., Ltd.	6,608,721,838.38	14,323,721,838.38	-	14,323,721,838.38	100	100	-
Beijing Yanshui Asset Management Co., Ltd.	32,707,342.45	32,707,342.45	-	32,707,342.45	100	100	13,000,000.00
BBMG Hong Kong Limited	288,057,387.91	288,057,387.91	-	288,057,387.91	100	100	16,000,000.00
Beijing BBMG Innovation and Technology Incubator Co., Ltd.	1,000,000,048.47	1,700,000,048.47	-	1,700,000,048.47	100	100	-
BBMG Finance Co., Ltd.	3,000,000,000.00	3,000,000,000.00	-	3,000,000,000.00	100	100	285,000,000.00
BBMG Finance Lease Co., Ltd.	393,876,000.00	393,876,000.00	-	393,876,000.00	60	60	29,400,000.00
Jidong Development Group Co., Ltd.	5,225,000,000.00	5,225,000,000.00	-	5,225,000,000.00	55	55	-
Beijing Doors and Windows Co., Ltd.	430,370,700.00	430,370,700.00	-	430,370,700.00	100	100	6,000,000.00
Jinyu Jingti (Beijing) Sports Culture Co., Ltd.	25,359,900.00	25,359,900.00	(25,359,900.00)	-	-	-	-
Tangshan Jidong Cement Co., Ltd.	1,091,264,397.20	9,535,955,770.27	-	9,535,955,770.27	54	54	-
Tianjin Building Materials Group (Holding) Co., Ltd.	5,118,176,371.21	5,118,176,371.21	979,944,224.19	6,098,120,595.40	83	83	-
BBMG Concrete Group Co., Ltd.	1,419,515,156.27	1,419,515,156.27	-	1,419,515,156.27	45	45	-
Beijing Jingcai Talent Development Center Co., Ltd. (北京京才開發中心有限公司)	141,480,261.00	141,480,261.00	-	141,480,261.00	100	100	2,000,000.00
Beijing Building Materials Testing Academy Co., Ltd.	68,139,760.78	68,139,760.78	-	68,139,760.78	60	60	-
Beijing BBMG Finance Lease Co., Ltd. (北京金隅融資租賃有限公司)	800,000,000.00	800,000,000.00	-	800,000,000.00	100	100	20,000,000.00
Beijing BBMG Intelligent Manufacturing Workshop Management Co., Ltd. (北京金隅智造工場管理有限公司)	1,000,000.00	1,000,000.00	-	1,000,000.00	100	100	-
Beijing BBMG Xisanqi Intelligent Manufacturing Workshop Management Co., Ltd. (北京金隅西三旗智造工場管理有限公司)	1,000,000.00	1,000,000.00	-	1,000,000.00	100	100	-
Total under cost method	39,401,218,350.79	61,095,935,409.49	1,954,584,324.19	63,050,519,733.68			537,200,000.00

Notes to Financial Statements (continued)

For the year ended 31 December 2024
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XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

3. Long-term equity investments (continued)

Equity method:

	Movements during the period						Carrying value at the end of the year
	Opening balance	Increase investment	Decrease investment	Investment profit or loss under equity method	Other comprehensive income	Cash dividend declared	
Joint venture							
STAR-USG Building Materials Co., Ltd.	59,211,761.01	-	-	4,663,365.50	-	-	63,875,126.51
Associates							
Zehnder (China) Indoor Climate Co., Ltd.	72,746,124.96	-	-	(4,308,323.98)	-	-	68,437,800.98
OCV Reinforcements (Beijing) Co., Ltd.	85,515,082.93	-	-	1,587,052.24	-	-	87,102,135.17
Tangshan Conch Profiles Co., Ltd.	165,798,055.89	-	-	(8,906,850.53)	-	(4,000,000.00)	152,891,205.36
Toto Machinery (Beijing) Company Limited	155,462,071.65	-	-	82,385.96	-	(3,200,000.00)	152,344,457.61
Beijing Innovation Industry Investment Co., Ltd.	242,482,051.74	-	-	11,500,941.62	-	-	253,982,993.36
Beijing Jingxi Ecological Cultural Tourism Investment Co., Ltd.	6,054,594.98	-	-	(1,339,955.96)	-	-	4,714,639.02
Easyhome New Retail Group Corporation Limited	2,231,987,335.85	-	-	90,814,356.65	-	(38,981,187.27)	2,283,820,505.23
Subtotal for associates	2,960,045,318.00	-	-	89,429,606.00	-	(46,181,187.27)	3,003,293,736.73
Total under equity method	3,019,257,079.01	-	-	94,092,971.50	-	(46,181,187.27)	3,067,168,863.24

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

(continued)

4. Investment properties

(1) Investment properties through fair value model

	Buildings
Opening balance	13,753,284,490.75
Changes in fair value	<u>293,805,658.64</u>
Closing balance	<u>14,047,090,149.39</u>

All the above investment properties are located in the PRC, and leased out in form of operating leases.

As at 31 December 2024 and 31 December 2023, there was no investment property for which the procedures for obtaining title certificates were incomplete.

5. Operating revenue and cost

	2024		2023	
	Revenue	Cost	Revenue	Cost
Rental income	896,194,739.24	104,647,676.57	945,888,060.08	155,961,153.56
Income from disposal of investment properties	-	-	109,114,036.12	86,806,337.98
Others	<u>5,786,190.31</u>	<u>2,899,365.28</u>	<u>6,853,208.49</u>	<u>1,685,199.00</u>
Total	<u>901,980,929.55</u>	<u>107,547,041.85</u>	<u>1,061,855,304.69</u>	<u>244,452,690.54</u>

Notes to Financial Statements *(continued)*For the year ended 31 December 2024
RMB**XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS***(continued)***6. Investment gains**

	2024	2023
Gains from long-term equity investments under cost method	537,200,000.00	703,752,344.04
Investment gains from disposal of subsidiaries	(23,007,215.87)	–
Gains from long-term equity investments under equity method	94,092,971.50	27,710,318.70
Including: Investment income of associates	89,429,606.00	23,987,013.68
Investment income of joint ventures	4,663,365.50	3,723,305.02
Investment gains from financial assets held for trading during the holding period	18,766,743.99	6,681,304.90
Others	23,161,833.31	–
Total	650,214,332.93	738,143,967.64

7. Notes to items of statement of cash flows**(1) Cash relating to operating activities**

	2024	2023
Cash received from other operating activities		
Cash received from superior units	19,726,799,869.19	41,448,897,535.58
Cash received from internal borrowings among subsidiaries	908,775,191.09	4,004,139,998.08
Interest income	85,739,944.51	122,918,232.82
Total	20,721,315,004.79	45,575,955,766.48
Cash paid for other operating activities		
Cash paid to subordinate units	26,010,272,068.55	33,470,100,400.00
Current accounts of subsidiaries	1,667,228,060.21	1,474,780,344.28
Expenses of the headquarters	73,497,362.34	180,387,457.47
Total	27,750,997,491.10	35,125,268,201.75

Notes to Financial Statements *(continued)*

For the year ended 31 December 2024
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XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

(continued)

8. Supplemental information to statement of cash flows

(1) Reconciliation of net profit to cash flows from operating activities:

	2024	2023
Net profit	969,859,433.23	3,156,658,828.07
Add: Losses on credit impairment	(9,113,985.00)	–
Depreciation of fixed assets	66,850,883.71	68,257,094.62
Amortisation of intangible assets	26,489,490.39	23,331,609.73
Amortisation of long-term deferred expenditures	1,684,205.84	1,730,173.97
Gains from disposal of fixed assets, intangible assets and other long-term assets	(163,487,018.78)	(1,991,265,591.25)
Losses on retirement of fixed assets	4,212.45	33,941.09
Gains from changes in fair value	(290,210,166.75)	(434,388,528.93)
Finance costs	2,239,894,128.30	2,295,404,003.83
Investment gains	(650,214,332.93)	(738,143,967.64)
Decrease in deferred income tax assets	29,253,364.70	169,534,328.88
Increase in deferred income tax liabilities	75,978,937.79	101,752,000.28
Decrease in operating receivables	(8,470,650,120.78)	7,720,111,566.59
Increase in operating payables	(244,730,570.05)	710,581,748.24
Net cash flows from operating activities	<u>(6,418,391,537.88)</u>	<u>11,083,597,207.48</u>

(2) Composition of cash and cash equivalents

	2024	2023
Cash	7,101,795,818.29	6,243,464,203.43
Including: Bank deposits on demand	<u>7,101,795,818.29</u>	<u>6,243,464,203.43</u>
Balance of cash and cash equivalents at the end of the year	<u>7,101,795,818.29</u>	<u>6,243,464,203.43</u>

Supplementary Information to Financial Statements

For the year ended 31 December 2024
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I. SUPPLEMENTARY INFORMATION

1. Breakdown of Non-recurring Profit and Loss Item

	Amount
Profit or loss from disposal of non-current assets, including the part written off for provision for impairment on assets	1,168,648,386.73
Investment gains from disposal of subsidiaries	(32,286,225.12)
Government grants recognised through profit or loss for the current period (excluding those closely related to the Company's ordinary business operations, in line with national policies and entitled in accordance with established standard, and having a continuous impact on profit or loss)	335,478,599.59
Profit or loss from change in fair value of financial assets and financial liabilities held by non-financial enterprises, as well as profit or losses from disposal of financial assets and financial liabilities, other than effective hedging business relating to the ordinary business operations of the Company	632,880,782.36
Capital occupancy fee from non-financial enterprises recognized through profit or loss for the current period	12,735,119.79
Reversal of provisions for impairment of receivables that are individually tested for impairment	390,039,719.83
Profit or loss from debt restructuring	17,816,874.17
Profit or loss from fair value change of investment properties measured subsequently through fair value model	675,683,117.79
Other non-operating income and expenses other than the above items	158,343,505.59
	<u>3,359,274,113.23</u>
Impact of income tax	<u>(773,167,443.93)</u>
Impact of minority interests (after tax)	<u>(281,948,699.93)</u>
Total	<u>2,304,223,736.87</u>

Note 1: The Group recognised items of non-recurring profit or loss in accordance with provisions under the "Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public – Non-recurring Profit or Loss (公開發行證券的公司信息披露解釋性公告第1號—非經常性損益)" (CSRC Announcement [2023] No. 65). Items not listed in the "Explanatory Announcement No.1 on Information Disclosure for Companies Offering Securities to the Public – Non-recurring Profit or Loss (公開發行證券的公司信息披露解釋性公告第1號—非經常性損益)" but identified as items of non-recurring profit or loss with significant amount and items categorised as items of recurring profit or loss but listed as non-recurring profit or loss in the provisions are set out as below:

	Amount	Reason
Value-added tax refund income	261,176,997.92	In line with national policies and occurring on an ongoing basis
Income generated from changes in fair value and investment gains from disposal of financial instruments by BBMG Finance Co., Ltd.	47,160,364.89	Business within the operation scope of the Finance Company
Gains arising from hedging instruments by Jidong Development Group Co., Ltd.	10,042,844.87	Business within the scope of operations of BBMG Supply Chain
Heating subsidies	7,265,400.00	In line with national policies and occurring on an ongoing basis
Loss arising from hedging instruments by Jidong Development Group Co., Ltd.	(2,453,166.69)	Business within the operation scope of Jidong Development

Supplementary Information to Financial Statements *(continued)*

For the year ended 31 December 2024
RMB

I. SUPPLEMENTARY INFORMATION *(continued)*

2. Return on Net Assets and Earnings per Share

2024

	Weighted average return on net assets (%)	Earnings per share Basic and diluted
After deducting other equity instrument indicators:		
Net profit attributable to ordinary shareholders of the Company	(3.64)	(0.15)
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit and loss	(8.75)	(0.37)
Before deducting other equity instrument indicators:		
Net profit attributable to ordinary shareholders of the Company	(0.75)	(0.05)
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit and loss	(3.88)	(0.27)

2023

	Weighted average return on net assets (%)	Earnings per share Basic and diluted
After deducting other equity instrument indicators:		
Net profit attributable to ordinary shareholders of the Company	(1.84)	(0.08)
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit and loss	(6.23)	(0.27)
Before deducting other equity instrument indicators:		
Net profit attributable to ordinary shareholders of the Company	0.04	0.002
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit and loss	(2.96)	(0.19)

In calculating the weighted average return on net assets and earnings per share excluding other equity instruments, the Company has excluded declared and provisioned dividends of perpetual bonds.

Five Years Financial Summary

A summary of the results and of the assets, liabilities and minority interests of the Group for the last five financial years is set out below:

RESULTS

	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
OPERATING REVENUE	110,711,819	107,955,680	102,822,162	123,634,448	108,004,884
NET (LOSS)/PROFIT	(1,534,209)	(1,287,407)	1,739,887	5,212,718	5,155,906
NET (LOSS)/PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	(555,162)	25,263	1,212,674	2,933,015	2,843,773
DIVIDEND	533,889	266,944	715,411	1,110,488	640,666
DIVIDEND PER SHARE	RMB0.05	RMB0.025	RMB0.067	RMB0.104	RMB0.060
BASIC (LOSSES)/EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY (BEFORE DEDUCTING OTHER EQUITY INSTRUMENT INDICATORS)	RMB(0.050)	RMB0.002	RMB0.11	RMB0.27	RMB0.27

ASSETS, LIABILITIES AND MINORITY INTERESTS

	31 December	31 December	31 December	31 December	31 December
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS	130,800,256	128,604,798	124,695,698	116,398,079	108,682,751
CURRENT ASSETS	133,195,465	141,074,341	156,824,356	169,958,731	182,669,632
TOTAL ASSETS	263,995,721	269,679,139	281,520,054	286,356,810	291,352,383
CURRENT LIABILITIES	96,778,952	117,604,713	118,844,662	119,733,796	118,810,244
NON-CURRENT LIABILITIES	75,099,447	57,710,055	67,779,454	71,089,208	78,085,953
TOTAL LIABILITIES	171,878,399	175,314,768	186,624,116	190,823,004	196,896,197
MINORITY INTERESTS	18,399,821	21,357,345	31,266,023	31,816,314	31,080,251
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	73,717,500	73,007,025	63,629,915	63,717,492	63,375,936



北京金隅集團股份有限公司
BBMG CORPORATION*

Tower D, Global Trade Center
No. 36, North Third Ring Road East
Dongcheng District, Beijing, China (100013)

www.bbm.com.cn/listco