



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





CONTENTS

2	CORPORATE INFORMATION
5	CHAIRMAN'S STATEMENT
9	MANAGEMENT DISCUSSION AND ANALYSIS
41	OTHER INFORMATION
49	REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS
50	UNAUDITED INTERIM CONSOLIDATED BALANCE SHEET
53	UNAUDITED INTERIM CONSOLIDATED INCOME STATEMENT
55	UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
57	UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
59	UNAUDITED INTERIM BALANCE SHEET OF THE COMPANY
61	UNAUDITED INTERIM INCOME STATEMENT OF THE COMPANY
62	UNAUDITED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE COMPANY
64	UNAUDITED INTERIM STATEMENT OF CASH FLOWS OF THE COMPANY
66	NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
334	SUPPLEMENTARY INFORMATION TO UNAUDITED INTERIM FINANCIAL STATEMENTS

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 of the Company	Tower D, Global Trade Center No. 36, North Third Ring East Road Dongcheng District, Beijing 100013, the PRC
Registered address and principal place of business in the PRC	Tower D, Global Trade Center No. 36, North Third Ring East Road Dongcheng District, Beijing 100013, 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	
<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>	Yu Fei Liu Taigang Hong Yongmiao Tam Kin Fong

* For identification purposes only

CORPORATE INFORMATION

The Supervisory Board*Supervisors*

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

Committees*Audit Committee*

Tam Kin Fong (*Chairman*)
Gu Tiemin
Hao Liwei
Yu Fei
Liu Taigang
Hong Yongmiao

*Remuneration and Nomination
Committee*

Liu Taigang (*Chairman*)
Jiang Changlu
Yu Fei
Hong Yongmiao
Tam Kin Fong

Strategic Committee

Jiang Yingwu (*Chairman*)
Gu Yu
Zheng Baojin
Yu Fei
Liu Taigang
Hong Yongmiao
Tam Kin Fong

Executive Committee

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

Authorised Representatives

Jiang Yingwu
Lau Fai Lawrence

CORPORATE INFORMATION

Board Secretary	Zhang Jianfeng
Company Secretary	Lau Fai Lawrence
Listing Information	
<i>A Shares</i>	
A Share registrar	China Securities Depository and Clearing Corporation Limited, Shanghai Branch 3rd Floor, China Insurance Building 166 Lujiazui Road East, Pudong New District, Shanghai, the PRC
Place of listing	Shanghai Stock Exchange
Stock name	BBMG
Board lot	100 shares
Stock code	601992.SH
<i>H Shares</i>	
H Share registrar	Computershare Hong Kong Investor Services Limited Shops 1712 – 1716, 17th Floor, Hopewell Centre 183 Queen’s Road East, Wan Chai, 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 <i>As to Hong Kong law</i> Guantao Law Firm <i>As to PRC law</i>

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT

Dear Shareholders,

In the first half of 2024, in the face of many difficulties and challenges such as the complicated and severe external environment and the continuous downward pressure on the two main businesses of building materials and real estate, the Company firmly grasped the work requirements of the "One High, Double Win, Three Coordination" (一高雙贏三統籌) and the main work line of the "year of efficiency improvement", and made every effort to remain stable operation, and the economic operation showed a development trend of gradual improvement, stabilization and recovery.

Review

Results Performance

During the Reporting Period, the Company recorded an operating revenue of approximately RMB45,562.4 million, representing a year-on-year decrease of 7.3%; net loss attributable to the shareholders of the parent company amounted to approximately RMB806.7 million, as compared with net profit attributable to the shareholders of the parent company of approximately RMB410.1 million for the same period of last year; basic losses per share attributable to the shareholders of the parent company amounted to RMB0.12, as compared with basic earnings per share attributable to the shareholders of the parent company of approximately RMB0.0025 for the same period of last year.

Business Performance

In the first half of 2024, the Company anchored the task goals to make every effort to tap the internal potential to improve quality and efficiency, strengthen coordinated development to expand the new engine of new kinetic energy, and strengthen scientific and technological innovation to promote the quality improvement and upgrading of development.

Modern green building materials segment: In terms of the cement business, the Company strengthened the lean operation. In the first half of 2024, the cost per ton of cement decreased by RMB35 on a year-on-year basis, and the fuel substitution rate was 10.7%. The Company turned losses into profits in June 2024. In terms of the new materials business, the Company deepened the coordination of industrial chain, acquired Zhejiang Hangjia Zetong Building Energy Saving New Materials Co., Ltd. (浙江杭加澤通建築節能新材料有限公司), and "Bei Jia" and "Nan Jia" became one company. In terms of the aerated concrete business, the Company realized the national layout of north-south integration. The Company's C-side strategy has achieved initial results, and the Company has also achieved collaborative sales of other products while maintaining a high growth momentum in the household decoration businesses.

CHAIRMAN'S STATEMENT

Property development and operation segment: In terms of the property development business, the Company made every effort to ensure delivery for use and de-stocking, and key projects became important support for profits. In terms of the property operation business, the Company actively responded to market changes, and the occupancy rate of main office buildings recovered to more than 90%, and the quality of park, hotel and resort operations continued to improve.

The Company accelerated the extension, supplement and enhancement of the industrial chain. In the first half of 2024, the Company added 106 million tons of mining resources reserves, 5.25 million cubic meters of concrete production capacity, 32 mortar "satellite factories" and 47,700 square meters of land reserves. The Company accelerated the transformation of scientific and technological achievements, and realized the industrial application of new material products with high performance, high-tech content and high added value. The revenue from new materials with high added value such as special cement and high-tech and hard concrete exceeded RMB2 billion.

Prospect

From the perspective of macroeconomic situation, the favorable conditions for China's economic development are stronger than the unfavorable factors, and the development trend of steady improvement and long-term improvement will not change.

From the perspective of the development trend of the industry, the growth of infrastructure investment will still have great resilience in the second half of 2024. Various regions have successively introduced the plan of replacing the old consumer goods with the new ones, which has provided strong support for the demand and price recovery of building materials. The policy of cement production capacity replacement has become tighter, and accelerating reduction of production capacity has become the main tone of the industry. In terms of real estate, the "5.17" New Policy issued by the People's Bank of China has played a "combination blow" of optimizing real estate credit policies, and many provinces and cities have successively lifted purchase restrictions and credit policies, and the real estate demand is expected to continue to improve. At the same time, the construction of a new development mode of real estate is accelerated, which provides a new path for the Company's property business to promote de-stocking, revitalize land resources and accelerate collection of funds.

In the second half of 2024, the Company will adhere to the main line of the "year of efficiency improvement", maintain the same goals, standards and efforts, resolve various difficulties, forge ahead, and ensure the comprehensive and high-quality completion of all goals and tasks in 2024.

CHAIRMAN'S STATEMENT

Modern green building materials segment: In terms of the cement business, the Company will insist on reducing costs and increasing efficiency, continuously strengthen the cost management throughout the process, leverage the role of a unified large market, prevent “involution” vicious competition, implement differentiated marketing strategies, make every effort to stabilize quantity and raise prices, seize the opportunity to reshape the market, clarify the industrial layout planning, and further enhance market control. In terms of the new materials business, the Company will adhere to the main line of “changing mode, adjusting structure, improving quality and increasing efficiency” to promote the development of integrated clusters and create differentiated competitive advantages.

Property segment: In terms of the property development business, the Company will scientifically assess the trend of real estate policies, seize market opportunities, optimize operating strategies, and promote stable and positive operations; in addition, the Company will uphold the concept of building “good houses” to ensure that new projects will be sold well at launch, and nearly 10,000 houses will be delivered with high quality as scheduled. In terms of the property operation business, the Company will deeply explore customer resources, solidly increase the occupancy rate of key office buildings, parks and commercial projects, promote the deep implementation of BBMG’s residential property service system, and explore the transformation and upgrading of traditional property services to comprehensive facility management.

In the second half of 2024, the Company will strengthen the role of scientific and technological innovation in gaining momentum and making empowerment, increase efforts in tackling key core technologies and enhancing original innovation capabilities, accelerate the transformation of the Company’s own scientific and technological achievements and the industrialization of new products, accelerate the construction of original technology sources, and build a collaborative innovation ecosystem. The Company will adhere to the market demand orientation, develop the new materials industry around the main businesses and the upstream and downstream extension of the industrial chain, and constantly increase varieties, improve quality and create brands in the field of modern materials, forming new profit growth points.

ACKNOWLEDGEMENTS

I would like to take this opportunity to sincerely thank all shareholders, regulatory authorities, customers, partners and friends from all walks of life for your constant trust on behalf of the Board of Directors. At the same time, I would also like to thank the colleagues of the Board of Directors and the supervisory board of the Company for your diligence and dedication and all employees of the Company for your hard work. In the new journey, we will anchor goals, overcome difficulties and go all out to make new and greater contributions to the development of the capital in the new era and the continuous return to investors!

Jiang Yingwu

Chairman

Beijing, the PRC

30 August 2024





MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

I. PARTICULARS OF THE INDUSTRY IN WHICH THE COMPANY OPERATED AND PRINCIPAL BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD**(I) Principal business and business model of the Company**

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

Modern green and environmentally-friendly building materials manufacturing business: With cement as its core product, the Company has formed a complete industrial chain of building materials that is compatible with upstream and downstream businesses, which covers concrete, wall body and insulation materials, prefabricated building system and parts and furniture and woods, as well as an interactive mechanism that includes products and services such as decoration, architectural design and prefabricated construction contract, creating a coordinated development pattern of the whole industrial chain. Currently, the production capacity of clinker amounted to approximately 110 million tonnes; the production capacity of cement amounted to approximately 180 million tonnes; the production capacity of ready-mixed concrete amounted to approximately 58.0 million cubic meters while the production capacity of aggregates amounted to 76.6 million tonnes and the production capacity of grinding aids and admixtures amounted to approximately 0.24 million tonnes, respectively. Its annual capacity for disposal of hazardous wastes and solid wastes was nearly 5.4 million tonnes (including construction waste). The Company insisted on promoting market expansion and strategic resources integration simultaneously and had a total of about 5,500 million tonnes of limestone reserve. The building material products and construction installation services of the Company were broadly applied in the construction of key and popular projects such as Beijing's urban sub-center, Xiong'an New Area and the Winter Olympics Stadium, which fully demonstrated the strengths of BBMG's modern building materials business in brand, quality and industrial chain, and enhanced the systematic application and coordinated marketing of its products.

MANAGEMENT DISCUSSION AND ANALYSIS

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 in terms of 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, high-efficiency energy-saving fans, permanent magnet direct drive motor and medium voltage and low voltage intelligent power distribution cabinet, have reached the advanced level in the industry. Under the premise of controllable risks, the Company will improve the supply chain network configuration and asset layout, and continue to improve and strengthen the international trade and building materials and commerce and logistics business.

2. Property development and operation segment: The Company has committed to property development and construction for over 30 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, Tangshan 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”.

MANAGEMENT DISCUSSION AND ANALYSIS

Property operation business: At present, the Company holds approximately 2,505,000 sq.m. of investment properties such as high-end office buildings, commercial and industrial parks, of which approximately 846,000 sq.m. are grade B and above high-end investment properties in core areas in Beijing, and manages approximately 18,370,000 sq.m. of properties inside and outside Beijing. Its professional capabilities, brand awareness, occupancy rate and revenue have led the industry in Beijing even the country for years.

(II) Description of major industries

1. *Cement Industry*

According to the data of the National Bureau of Statistics of China, from January to June 2024, the investment in fixed assets (excluding farmers) in China was RMB24,539.1 billion, representing a year-on-year increase of 3.9%; after deducting the investment in real estate development, the investment in fixed assets in China increased by 8.5%. In terms of segment, the investment in infrastructure increased by 5.4%, which maintained a slow growth; the investment in real estate development decreased by 10.1%, which was still at the adjustment stage. The operation of cement industry was characterized by “continuous shrinking demand, price fluctuating at low levels and continuous loss of the industry”, and the production volume of cement in China was 850 million tonnes, representing a year-on-year decrease of 10%.

2. *Property Development Industry*

In the first half of 2024, despite the continuous optimization of policies for the real estate market, the effects of such policies have not manifested, and the overall performance of the new property market in China was still weak.

MANAGEMENT DISCUSSION AND ANALYSIS

According to the data of the National Bureau of Statistics of China, from January to June 2024, the investment in real estate development in China was RMB5,252.9 billion, representing a year-on-year decrease of 10.1%, among which, the residential property investment was RMB3,988.3 billion, representing a decrease of 10.4%. The area of newly commenced construction of real estates was 380.23 million sq.m., representing a decrease of 23.7%. Among them, the area of newly commenced construction of residential properties was 277.48 million sq.m., representing a decrease of 23.6%. The area of completed real estate was 265.19 million sq.m., representing a decrease of 21.8%. Of this, the area of completed residential properties was 192.59 million sq.m., representing a decrease of 21.7%. From January to June 2024, the sales area of newly-built commodity housing was 479.16 million sq.m., representing a year-on-year decrease of 19.0%. Specifically, the sales area of residential properties decreased by 21.9%. The sales amount of newly-built commodity housing amounted to RMB4,713.3 billion, representing a decrease of 25.0%. Of this, the sales amount of residential properties decreased by 26.9%. As at the end of June 2024, the area of commodity housing for sales was 738.94 million sq.m., representing a year-on-year increase of 15.2%. In particular, the area of residential properties for sales increased by 23.5%.

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY OF FINANCIAL INFORMATION

Unit: RMB'000

	For the six months ended 30 June		Change
	2024 (Unaudited)	2023 (Unaudited)	
Operating revenue	45,562,407	49,136,301	-7.3%
Operating revenue from principal business	45,209,615	48,668,621	-7.1%
Gross profit from principal business	4,332,620	5,295,552	-18.2%
Gross profit margin from principal business (%)	9.6	10.9	a decrease of 1.3 percentage points
Total (loss)/profit	(1,070,454)	425,682	-1,496,136
Net (loss)/profit	(1,749,543)	14,659	-1,764,202
Net (loss)/profit attributable to the shareholders of the parent company	(806,673)	410,060	-1,216,733
Basic (losses)/earnings per share attributable to the shareholders of the parent company (net of the interests of other equity instrument)	RMB(0.12)	RMB0.0025	a decrease of RMB0.1225

MANAGEMENT DISCUSSION AND ANALYSIS

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)	Change
Cash and bank balances	15,487,794	17,332,117	-10.6%
Current assets	141,279,814	141,074,341	0.1%
Current liabilities	107,902,069	117,604,713	-8.3%
Net current assets	33,377,744	23,469,628	42.2%
Non-current assets	129,178,104	128,604,798	0.4%
Non-current liabilities	68,831,226	57,710,055	19.3%
Total assets	270,457,918	269,679,139	0.3%
Equity attributable to the shareholders of the parent company	72,827,770	73,007,025	-0.2%
Debt ratio (total liabilities to total assets) (%)	65.3	65.0	an increase of 0.3 percentage point

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of Business Information

	For the six months ended 30 June		Change
	2024	2023	
Modern green building materials segment			
Aggregate sales volume of cement and clinker (in million tonnes)	38.18	43.96	-13.1%
Sales volume of ready-mixed concrete (in million cubic metres)	5.38	6.87	-21.7%
Stone wool boards (in thousand tonnes)	44.1	49.7	-11.3%
Property development and operation segment			
Booked gross-floor area ("GFA") (in thousand sq.m.)	388.4	508.6	-23.6%
Contracted sales GFA (in thousand sq.m.)	294.4	607.7	-51.6%
GFA of investment properties (in thousand sq.m.)	2,505.0	1,848.3	35.5%

DISCUSSION AND ANALYSIS ON OPERATIONS

In the first half of 2024, facing an extremely complex and challenging external environment and the great challenges brought by the deep adjustment of real estate, cement and other industries, the Company thoroughly implemented the work requirements of the "One High, Double Win, Three Coordination" (一高雙贏三統籌), made every effort to facilitate the implementation of all tasks during the "year of efficiency improvement", and made hard-earned interim progress with the efforts of all cadres and employees.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Group recorded an operating revenue of approximately RMB45,562.4 million, of which operating revenue from its principal business amounted to approximately RMB45,209.6 million, representing a year-on-year decrease of approximately 7.1%; total loss amounted to approximately RMB1,070.5 million, as compared with total profit of approximately RMB425.7 million for the same period of last year; net loss amounted to approximately RMB1,749.5 million, as compared with net profit of approximately RMB14.7 million for the same period of last year; and net loss attributable to the parent company amounted to approximately RMB806.7 million, as compared with net profit attributable to the parent company of approximately RMB410.1 million for the same period of last year.

(I) Modern green building materials segment

In terms of the cement business, the Company improved the refined operation and strengthened cost management throughout the life cycle, which significantly reduced costs and increased efficiency. The cost per ton of cement decreased by approximately RMB35 on a year-on-year basis. The Company also deepened and integrated the development of major markets, promoted the integration of regional markets and businesses, took the lead in implementing off-peak season production, and sought to rise prices and stabilize quantity. The Company turned losses into profits in June 2024.

In the first half of 2024, the revenue from principal business amounted to approximately RMB35,256.2 million, representing a year-on-year decrease of approximately 8.9%; gross profits from principal business amounted to approximately RMB2,872.5 million, representing a year-on-year decrease of approximately 21.2%. In the first half of 2024, the aggregate sales volume of cement and clinker was approximately 38.18 million tonnes (exclusive of joint ventures, associates and the Company), representing a year-on-year decrease of approximately 13.1%, among which sales volume of cement amounted to approximately 34.10 million tonnes and sales volume of clinker amounted to approximately 4.08 million tonnes; the aggregated gross profit margin for cement and clinker was approximately 10.4%, representing a year-on-year decrease of approximately 0.2 percentage point. In terms of the concrete business, the Company accelerated market layout, enhanced management internally and expanded the market externally. The sales volume amounted to approximately 5.38 million cubic meters, representing a year-on-year decrease of approximately 21.7%; and the gross profit margin of concrete was approximately 9.8%, representing a year-on-year decrease of approximately 4.5 percentage points. In terms of modern material business, the Company deepened the coordination of industrial chain, acquired Zhejiang Jinyu Hangjia Green Building Technology Co., Ltd. (浙江金隅杭加綠建科技有限公司), and realized the integration of North and South and the national layout of the aerated concrete business. The Company's C-side strategy has achieved initial results, and the Company achieved collaborative sales of its other products while Tiantan decoration business maintained a high growth momentum. The Company recorded the revenue from its principal business of approximately RMB6,200.0 million, representing a year-on-year increase of approximately 2.0%, and the gross profit margin was approximately 13.6%, representing a year-on-year decrease of approximately 0.5 percentage point.

MANAGEMENT DISCUSSION AND ANALYSIS

(II) Property development and operation segment

In terms of the property development business, the Company firmly ensured delivery for use, and the projects such as Hangzhou HuichaoYuefu, Ningbo Eastern New Town, Changzhou ZhonglouTianzhu, Tianjin JinchengXifu and Nanjing DuhuiZijin were delivered in a centralized way.

In the first half of 2024, the Company recorded revenue from its principal business of approximately RMB10,758.2 million, representing a year-on-year decrease of approximately 2.1%, and the gross profit from its principal business was approximately RMB1,589.2 million, representing a year-on-year decrease of approximately 19.6%. In the first half of 2024, the booked GFA was approximately 388,400 sq.m., representing a year-on-year decrease of approximately 23.6%, among which booked GFA of commodity housing amounted to approximately 379,900 sq.m., representing a year-on-year decrease of approximately 24.9%. The booked GFA of policy-oriented housing was 8,500 sq.m. in the first half of 2024, representing a year-on-year increase of approximately 230.9%.

During the Reporting Period, the Company recorded contracted sales of approximately RMB5,300.0 million, representing a year-on-year decrease of approximately 64.0%, and the cash receipts of approximately RMB5,755.0 million, representing a year-on-year decrease of approximately 67.0%. As of 30 June 2024, the land reserve of the Company on the equity basis was approximately 5,850,000 sq.m..

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2024, the Company acquired the land use right of one parcel of state-owned construction land. The details are as follows:

No.	Name of project (parcel of land)	Location	Use of land	Land area of the project (m ²)	Planned plot ratio area (m ²)	Land price (RMB million)	Method of acquisition	Date of Acquisition (yy-mm-dd)	Percentage of ownership
1	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, Shibaidian, Chaoyang District, Beijing	Shibaidian, Chaoyang District	Residence, nursery and kindergarten	47,661.924	125,853.387	6,380.0	Listing	2024.6.25	100%
Total (equity)				47,661.924	125,853.387	6,380.0			

In terms of the property operation business, the Company made innovations in the operation strategies and adhered to maintaining commercial sales and promoting leases, with the occupancy rate of office buildings surpassing the average level in the market; and the operation quality of industrial parks and hotels was constantly improved. The Company held 2,505,000 sq.m. of investment properties such as high-end office buildings, commercial and industrial parks, with a consolidated average occupancy rate of 83% (excluding construction in progress and decoration and renovation projects). The grade B and above high-end investment properties held in core areas in Beijing totaled 846,000 sq.m., with a consolidated average occupancy rate of 90% and a consolidated average rental unit price of RMB8.6/sq.m./day.

MANAGEMENT DISCUSSION AND ANALYSIS

RENTAL OPERATIONS OF THE MAJOR INVESTMENT PROPERTIES OF THE GROUP AS AT 30 JUNE 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	3,916.3	10.1	88%	36,262	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	4,489.9	9.5	97%	31,843	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	1,432.0	8.8	87%	25,123	2058
Tengda Plaza	West Second Ring Road, Beijing	No. 169, Xizhimenwai Street, Haidian District, Beijing	Commercial	68.0	2,034.0	9.0	87%	29,912	2045
Jin Yu Building Tower A	West Second Ring Road, Beijing	No. 129, Xuanwumen West Street, Xicheng District, Beijing	Commercial	41.0	1,597.0	11.4	96%	38,951	2058
Jin Yu Building Tower B	West Second Ring Road, Beijing	No. 129, Xuanwumen West Street, Xicheng District, Beijing	Commercial	41.0	1,482.6	11.1	64%	36,161	2052
Building Materials Trading Tower, Jianda Building	East Second Ring Road, Beijing	No. 14, Dongtucheng Road, Chaoyang District, Beijing	Commercial	59.0	1,125.0	6.2	81%	19,068	Notes 2, 3
Huan Bohai Golden Shore Shopping Mall	Hexi District, Tianjin	No. 473, Jiefang South Road, Hexi District, Tianjin	Commercial	302.0	2,430.0	1.9	88%	8,039	2060
Phase 1 of Hi-tech Industrial Park	South Sixth Ring Road, Beijing	No. 3 Courtyard, Qingxiang North Road, Daxing District, Beijing	Commercial	122.0	1,036.8	2.2	96%	8,499	2058
Phase 1 of Intelligent Manufacturing Plant	North Fifth Ring Road, Beijing	No. 27, Jiancaicheng Middle Road, Haidian District, Beijing	Commercial	75.0	693.0	6.2	91%	9,240	2058
Other properties	-	-	Commercial	283.0	7,356.3	4.8	37%	25,987	-
Subtotal				1,297.0	27,592.9				
Other properties				1,208.0	16,857.6				
Total				2,505.0	44,450.5	4.6	83%	17,746	

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 AND ANALYSIS

ANALYSIS ON INCOME STATEMENT, CASH FLOWS AND ITEMS OF ASSETS AND LIABILITIES**1. Principal business operations**

Unit: RMB million

	Revenue from principal business	Cost of sales from principal business	Gross profit margin from principal business (%)	Year-on- year increase or decrease in revenue from principal business (%)	Year-on- year increase or decrease in cost of sales from principal business (%)	Year-on- year increase or decrease in gross profit margin from principal business
Modern green building materials segment	35,256.2	32,383.7	8.1	(8.9)	(7.7)	Decrease of approximately 1.3 percentage points
Property development and operation segment	10,758.2	9,169.0	14.8	(2.1)	1.8	Decrease of approximately 3.2 percentage points
Eliminations	(804.8)	(675.7)				
Total	45,209.6	40,877.0	9.6	(7.1)	(5.8)	Decrease of approximately 1.3 percentage points

MANAGEMENT DISCUSSION AND ANALYSIS

2. Gains from changes in fair value of investment properties

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

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

The Group's current investment properties, most of which are commercial properties at developed commercial districts, are primarily located at core districts 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 engaged a valuer with relevant qualifications to make valuation on the fair value of the investment properties of the Group using the income method and market approach. The result of such valuation is used as the fair value of the investment properties of the Group.

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

During the Reporting Period, the gains arising from changes in fair value of investment properties of the Group recorded a year-on-year decrease of approximately RMB101.3 million or 36.4% to approximately RMB177.0 million.

MANAGEMENT DISCUSSION AND ANALYSIS

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

- (1) Tax and surcharges were approximately RMB570.7 million, representing a year-on-year increase of approximately RMB206.4 million or 56.7%. Such increase was mainly because the tax refund amount of the same period of last year is higher than that of the Reporting Period as a result of the difference in settlement items of the land appreciation tax in respect of the properties of the Company.
- (2) Selling expenses were approximately RMB1,115.3 million, representing a year-on-year decrease of approximately RMB25.4 million or 2.2%.
- (3) Administrative expenses were approximately RMB3,379.1 million, representing a year-on-year increase of approximately RMB111.6 million or 3.4%.
- (4) Research and development expenses were approximately RMB301.3 million, representing a year-on-year increase of approximately RMB40.3 million or 15.4%.
- (5) Finance costs were approximately RMB1,584.5 million, representing a year-on-year increase of approximately RMB289.5 million or 22.4%. Such increase was mainly due to the year-on-year decrease of capitalised interest.
- (6) Investment gains were approximately RMB189.8 million, representing a year-on-year increase of approximately RMB60.7 million or 47.0%. Such increase was mainly due to the year-on-year increase of gains on investment in joint ventures and associates recognized by the Company during the Reporting Period.
- (7) Gains from changes in fair value were approximately RMB210.1 million, representing a year-on-year decrease of approximately RMB126.6 million or 37.6%. Such decrease was mainly due to the year-on-year decrease of valuation gains of investment properties held by the Company during the Reporting Period.
- (8) Asset impairment losses were approximately RMB330.6 million, representing a year-on-year increase of approximately RMB241.3 million or 270.2%. Such increase was mainly due to the year-on-year increase in provision of inventory impairment of the Company during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

- (9) Gains on disposal of assets were approximately RMB999.8 million, representing a year-on-year increase of approximately RMB380.1 million or 61.3%. Such increase was mainly due to the year-on-year increase in compensation obtained from the disposal of assets of the Company during the Reporting Period.
- (10) Non-operating expenses were approximately RMB20.4 million, representing a year-on-year decrease of approximately RMB30.8 million or 60.2%. Such decrease was mainly due to the year-on-year decrease in losses on retirement of fixed assets of the Company during the Reporting Period.

4. Cash flows

In the first half of 2024, a net decrease of approximately RMB1,891.6 million in cash and cash equivalents was recognised in the consolidated financial statements of the Group, of which net cash outflow from operating activities was approximately RMB4,170.1 million, representing a year-on-year increase of approximately RMB8,388.5 million in outflow, which was mainly due to the year-on-year decrease in receipts from property projects of the Company during the Reporting Period; net cash outflow from investing activities was approximately RMB1,881.9 million, representing a year-on-year increase of approximately RMB4,094.3 million in outflow, which was mainly due to the year-on-year decrease in the redemption amount of the wealth management products of the Company during the Reporting Period; net cash inflow generated from financing activities was approximately RMB4,167.4 million, representing a year-on-year increase in cash inflows of approximately RMB3,680.4 million, which was mainly because the Company proactively communicated with banks and other financial institutions to adjust the financing structure and increase the proportion of withdrawals on long-term loans to lock in a relatively low financing cost as a result of the reduction of LPR during the Reporting Period; and the effect of changes in exchange rate on cash and cash equivalents was approximately RMB6.9 million.

5. Analysis on items of assets and liabilities

1. Financial assets held for trading: An increase of 165.2% from the beginning of the Reporting Period, mainly due to the increase in purchase of bonds and trust products during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Bills receivable: An increase of 46.5% from the beginning of the Reporting Period, mainly due to the business expansion of the Company during the Reporting Period.
3. Accounts receivable: An increase of 41.6% from the beginning of the Reporting Period, mainly due to the increase in the internal and external merger and acquisition and modern materials business as well as the outstanding accounts during the Reporting Period.
4. Receivables financing: An increase of 58.6% from the beginning of the Reporting Period, mainly due to the business expansion of the Company during the Reporting Period.
5. Non-current assets due within one year: An increase of 87.3% from the beginning of the Reporting Period, mainly due to the increase in the amount of finance lease receivables and debt investment due within one year of the Company during the Reporting Period.
6. Long-term receivables: A decrease of 31.0% from the beginning of the Reporting Period, mainly due to the reclassification of the same proportion of borrowings due within one year provided for property projects of the Company to non-current assets within one year during the Reporting Period.
7. Short-term financing bonds payable: A decrease of 100% from the beginning of the Reporting Period, mainly due to the repayment of the matured short-term financing bonds of the Company during the Reporting Period.
8. Long-term payables: An increase of 47.0% from the beginning of the Reporting Period, mainly due to the Company's acquisition of enterprise during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

CORE COMPETITIVENESS ANALYSIS

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

The core competitiveness of the Company is detailed as follows:

(I) Competitive edge in coordinated development of industrial chain

The Company has the advantage of a fully vertically integrated industrial chain. Each industry continues to form its own industrial chain with core competitiveness and industrial resilience to adapt to the new stage and new consumer needs. The Company accelerated horizontal integration of similar businesses and vertical integration of upstream and downstream of the industrial chain, solidly and detailedly implemented the “chain 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 BBMG’s unique value advantage of the whole industrial chain and advantage of all-round core competitiveness. In combination with the market situation, the Company intensified the development of civil industry, seized the entrance of traffic, and promoted the industrial transformation and upgrading. The one-stop whole house decoration service represented by Tiantan decoration won the trust and praise of consumers, realizing the deep integration of advanced manufacturing industry and modern service industry.

MANAGEMENT DISCUSSION AND ANALYSIS

(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 and 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 as well as energy conservation and environmental protection” to realize the industrialization of scientific and technological achievements. In the first half of 2024, the Company applied for 271 patents, including 60 invention patents; the affiliated enterprise won 1 provincial and ministerial science and technology award; the Company obtained 13 software copyrights, and added four provincial-level “technologically advanced” enterprises and five national-level high-tech enterprises.

(III) Competitive edge in green and sustainable development

The Company seized the strategic opportunity of peak carbon dioxide emissions and carbon neutrality, insisted on being the pioneer and leader of “green, recycling and low-carbon” development, formulated the 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. 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. Tianjin BBMG Zhenxing Environmental Protection Technology Co., Ltd., a subsidiary of the Company, revitalized the surplus carbon quota and made a profit of more than RMB7 million, realizing the appreciation of carbon assets. The Company continued to optimize the energy structure, and the fuel substitution rate in the cement industry exceeded 10%. The Company built six new photovoltaic projects and realized grid-connected power generation, with an additional installed capacity of 30 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, and 7 enterprises were selected into the list of national power demand side management demonstration enterprises (parks) in industrial fields. The Company persistently promoted high-quality development of the Company with high standard management, achieving the alignment of economic, social and environmental benefits.

MANAGEMENT DISCUSSION AND ANALYSIS

(IV) Competitive edge in industry-finance integration

The industry-finance integration supports and promotes the development of various main businesses of the Company. The Company enhanced its comprehensive strategic cooperation with key financial institutions, continuously innovated financing methods, controlled and reduced the scale of the Company's financing, expanded financing channels, reduced financing costs, ensured the Company's credit adequacy and effectively controlled and reduced the cost of capital usage. The accumulative weighted financing cost of the Company was 3.25%. The Company successfully issued the bonds of RMB6.8 billion, of which the interest rate of 3+N perpetual bonds was 2.49%, hitting a record low. The finance company and financial leasing company played a professional role in improving the overall capital operation efficiency of the Company, broadening financing channels and preventing capital risks, thus realizing the organic integration of industrial capital and financial capital. The Company played the role of a platform for listed companies, improved the overall financing efficiency and continuously consolidated the financial foundation for the healthy and sustainable development of the Company. The Company actively implemented the policy of tax reduction and fee reduction, and strove for various fiscal and tax concessions of RMB280 million. The Company's issuer credit rating remained AAA, the financing channels were smooth in supporting the development of the main business, and the capital structure was optimized.

(V) Competitive edge in corporate culture and branding

The core value of BBMG's corporate culture is based on the pragmatic working culture of "work with aspiration, competence, efficiency, success and prudence", the human spirits of "eight specials", the development philosophy of "integration, communion, mutual benefit and prosperity", and the corporate spirits of "three emphasis and one endeavor". We united our minds and efforts and forged ahead to carry forward culture and brand value. The Company followed the instructions of Xi Jinping, general secretary of the Chinese Central Committee of the Communist Party of China, on the building of world-class enterprises with outstanding products and brands, leading innovation and modern governance, facilitated full implementation of the Group's C-side brand strategies and promoted brand upgrading, demonstrating "BBMG" Brand power. "BBMG" Brand has been consecutively honored as a well-known trademark in Beijing. The Company ranked 64th in the list of 2024 (21st) "China's 500 Most Valuable Brands" with a value of RMB127.047 billion. Wanghai Innovation Studio of Zhuolu Jinyu Cement Co., Ltd. (涿鹿金隅水泥有限公司) was awarded the title of "National Worker Pioneer". 9 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. 13 employees of BBMG, including Zhao Changan, were awarded provincial and ministerial model workers and labor medals respectively. Good brand awareness and reputation have shaped a good cultural atmosphere and provided intellectual support for creating a new situation of BBMG's high-quality development.

MANAGEMENT DISCUSSION AND ANALYSIS

POSSIBLE RISKS FACED BY THE COMPANY**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 AND ANALYSIS

2. Policy risk

In May 2024, several departments and offices jointly issued the Targeted Action Plan for Energy Saving and Carbon Reduction of the Cement Industry (《水泥行業節能降碳專項行動計劃》), which requires that by the end of 2025, the production capacity of cement clinkers in China will be controlled at around 1.8 billion tonnes, with 30% of the capacity reaching the benchmark energy efficiency level, while the production capacity with energy efficiency below the baseline level will complete technological transformation or be phased out, and the comprehensive energy consumption per unit product of cement clinkers will decrease by 3.7% as compared to 2020. From 2024 to 2025, by implementing energy saving and carbon reduction transformation as well as renewal of energy-consuming equipment of the cement industry, approximately 5 million tonnes of standard coal will be saved and approximately 13 million tonnes of carbon dioxide will be reduced. In June 2024, the MIIT issued the Implementation Measures for Capacity Replacement in Cement and Glass Industry (Draft for Public Comments) (《水泥玻璃行業產能置換實施辦法》公開徵求意見稿), which intends to further optimize the industrial layout of cement and glass industry and promote the dynamic balance between market supply and demand.

Responses: For cement enterprises, the Company will take advantage of the targeted action plan for energy saving and carbon reduction to proactively adapt to the new characteristics of industry development, adhere to the strategic thinking, and concentrate efforts on developing "carbon neutrality and peak carbon emission", crude fuel replacement and intelligence during the production and manufacturing process based on the Company's layout planning of cement industry and with the aim of creating value for carbon index (a new profit model), in a bid to complete the relevant tasks and requirements by the end of 2025 and gain the upper hand in the policy requirements with cutting overcapacity as the general principle. The Company will vigorously develop green and low-carbon cementing materials, and propel the large-scale production of low-carbon cement products, parts and components. In respect of the transformation needs of energy saving and carbon reduction in the cement industry, the Company's high-end equipment manufacturing enterprises will grasp the market opportunities to improve their output capability in complete sets of products.

MANAGEMENT DISCUSSION AND ANALYSIS

3. Risk of capital operation

In the first half of 2024, the prudent monetary policy was precise and powerful, and the People's Bank of China intensified countercyclical regulation to play the role of monetary policy tools to adjust both the monetary aggregate and the monetary structure. The People's Bank of China maintained the stability of re-lending and rediscount tools, continued to implement the support tools for inclusive loans to small and micro-sized enterprises and the loan support plan of "guaranteeing the delivery of buildings", 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, which, together with the influence of external trade game, RMB depreciation and other factors, makes the manufacturing industry and real estate industry face greater financial pressure.

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", and ensure that the asset-liability ratio is controlled at a reasonable level. The Company will push forward the asset securitization, and actively promote the implementation of its asset securitization project of accounts receivable in the concrete industry. The Company will give full play to the advantageous role of the finance company and financial leasing company, optimize the debt structure of the Company, and escort the overall capital operation of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

4. Market competition risk

In the first half of 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”, requiring that products and services shall have higher quality.

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, 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 be efficient to promote de-stocking and obtain proceeds. The Company will insist on “using 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.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2024, the Group's total assets amounted to approximately RMB270,457.9 million, representing an increase of approximately 0.3% from the beginning of the Reporting Period, which comprised total liabilities of approximately RMB176,733.3 million, minority interests of approximately RMB20,896.8 million and total equity attributable to the shareholders of the parent company of approximately RMB72,827.8 million. As at 30 June 2024, total shareholders' equity amounted to approximately RMB93,724.6 million, representing a decrease of approximately 0.7% from the beginning of the Reporting Period. As at 30 June 2024, the Group's net current assets were approximately RMB33,377.7 million, representing an increase of approximately RMB9,908.1 million from the beginning of the Reporting Period. Debt ratio (total liabilities to total assets) was 65.3%, representing an increase of approximately 0.3 percentage point from the beginning of the Reporting Period.

As at 30 June 2024, the Group's cash and bank balances amounted to approximately RMB15,487.8 million, representing a decrease of approximately RMB1,844.3 million from the beginning of the Reporting Period. During the Reporting Period, the Group generally financed its operations with internally generated resources, short-term financing bonds, perpetual bonds, corporate bonds, medium-term notes, private bonds and banking facilities provided by its principal bankers in the PRC. As at 30 June 2024, the Group's interest-bearing bank borrowings amounted to approximately RMB86,614.6 million (as at 31 December 2023: RMB75,581.8 million) which bore fixed interest rates and were all denominated in Renminbi. Among these borrowings, approximately RMB8,298.5 million interest-bearing bank borrowings were due for repayment within one year, representing a decrease of approximately RMB14.5 million from the beginning of the Reporting Period. Approximately RMB50,855.0 million interest-bearing bank borrowings were due for repayment after one year, representing an increase of approximately RMB13,113.1 million from the beginning of the Reporting Period. The Group's interest-bearing bank borrowings were all denominated in RMB.

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

1. No profits shall be distributed to the shareholders;
2. Significant external investment, mergers and acquisitions, and other capital expenditure projects shall be postponed;
3. Salary and bonus of Directors and senior management shall be reduced or suspended;
4. The main responsible person in relation to the Company's bonds shall not be transferred.

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

DISCLOSEABLE TRANSACTIONS DURING THE REPORTING PERIOD

For details about discloseable transactions conducted by the Group during the Reporting Period, please refer to paragraphs headed "SPIN-OFF" and "CONNECTED TRANSACTION" below.

SPIN-OFF

The Company proposes to choose 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業園) as the underlying assets for the issuance of the publicly traded REITs 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**"). On 1 March 2024, the Company, through China Asset Management Co., Ltd. and CITIC Securities Company Limited, submitted, among others, the application materials on the registration and listing of the Publicly Traded REITs (the "**Proposed Spin-off**") to the China Securities Regulatory Commission and the Shanghai Stock Exchange.

MANAGEMENT DISCUSSION AND ANALYSIS

Upon completion of the Proposed 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 Proposed Spin-off is more than 5% but less than 25%, the Proposed Spin-off will constitute a discloseable transaction of the Company and will be subject to the reporting, announcement requirements under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The Company has submitted the PN15 Application to the Stock Exchange in relation to the Proposed Spin-off. The Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

The underlying assets include the house ownership of Buildings Nos. 8, 12, and 13 under the Certificate of House Ownership (XJFQZHZ No. 080659) and (2) the house ownership of Buildings Nos. 1, 2, 3 and 4 under the Certificate of House Ownership (JFQZHGGZ No. 0103006) consisting of intelligent AI manufacturing factories and research facilities. The registered owner of the underlying assets is Xisanqi Company which is an indirectly wholly-owned subsidiary of the Company. The value of the underlying assets was approximately RMB1.53 billion as at 30 September 2023 and the rental income of the underlying assets amounted to approximately RMB11.00 million per month as at 30 September 2023.

The Proposed 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.

For details of the Proposed Spin-off, please refer to the announcement of the Company dated 3 March 2024.

CONNECTED TRANSACTION

On 29 April 2024, Tangshan Jidong Cement Co., Ltd. (“**Jidong Cement**”) (an A-share listed subsidiary of the Company) entered into the equity transfer agreement (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 (the “**Acquisition**”), 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.

MANAGEMENT DISCUSSION AND ANALYSIS

As all applicable percentage ratios as defined under Rule 14.07 of the Listing Rules are less than 5%, the Acquisition does not constitute a discloseable transaction of the 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 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 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.

In view of the above, the Board (including independent non-executive Directors) considers that the terms of the Acquisition are fair and reasonable, and the Acquisition is entered into in the ordinary and usual course of business of the Group and on normal commercial terms and in the interests of the Company and its shareholders as a whole.

For details of the Acquisition, please refer to the announcement of the Company dated 29 April 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

COMMITMENTS

	As at	<i>Unit: RMB</i>
	30 June 2024	As at
	(Unaudited)	31 December 2023
		(Audited)
Asset acquisition or construction contracts entered into but not completed	174,197,222.51	917,589,823.48
Property development contracts entered into and being executed or will be executed	5,046,792,987.63	5,771,393,707.41
	5,220,990,210.14	6,688,983,530.89

CONTINGENCIES

		As at	<i>Unit: RMB</i>
		30 June 2024	As at
		(Unaudited)	31 December 2023
			(Audited)
Provision of guarantee on mortgage to third parties	<i>Note 1</i>	7,496,835,717.78	7,998,233,302.70
Provision of guarantee on loans and others to third parties	<i>Note 2</i>	845,000,000.00	775,000,000.00
Provision of guarantee on loans and others to related parties	<i>Note 3</i>	459,178,765.09	608,389,590.51
Contingent liabilities arising from provision of liquid support	<i>Note 4</i>	525,000,000.00	525,000,000.00
		9,326,014,482.87	9,906,622,893.21

MANAGEMENT DISCUSSION AND ANALYSIS

- Note 1:* Certain customers of the Group have purchased the commodity housing developed by the Group by way of bank mortgage (secured loans). According to the bank requirement in respect of the secured loans of the individual purchase of housing, the Group has provided guarantees to secure the periodical and joint obligation of such secured loans granted by banks for home buyers. These guarantees will be released upon obtaining building ownership certificates and completion of formalities of mortgage by the home buyers. The management is of the opinion that in the event of default in payments, the net realizable value of the relevant properties is sufficient to cover the outstanding mortgage principals together with the accrued interests and penalties, and therefore no provision for the guarantees has been made in the financial statements.
- Note 2:* Jidong Group, a subsidiary of the Group, provided guarantees with joint obligations on the borrowings of RMB735,000,000.00 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 on 21 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 guarantees 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 7 April 2025.
- 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 general guarantee on the borrowings of RMB80,000,000.00 for Fuyang Furun Real Estate Co., Ltd. (富陽復潤置業有限公司). The guarantee will expire on 31 December 2024.
- 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 general guarantee on the borrowings of RMB3,000,000.00 for Fuyang Fuchun Resort Leisure Business Co., Ltd. (富陽富春山居休閒事業有限公司). The guarantee will expire on 31 December 2024.
- Note 3:* The Company provided a secured guarantee for the bank loan projects of Nanjing Huayu Real Estate Development Co., Ltd. (南京鐔隅房地產開發有限公司), an associate of the Group, amounting to RMB377,236,600.00. The guarantee will expire on 21 March 2025. Beijing BBMG Property Development Group Co., Ltd. provided an unconditional and irrevocable guarantee with joint obligations on cash guarantee letter issued by Beijing Branch of CHINA BOHAI BANK CO., LTD. (渤海銀行股份有限公司) for Beijing Zhongtai Jinjian Real Estate Development Co., Ltd. (北京中泰金建房地產開發有限公司), an associate of the Group, with guaranteed balance of RMB1,942,165.09, which will expire on 30 September 2025.
- Tangshan Jidong Cement Co., Ltd., a subsidiary of the Group, provided secured guarantees on six borrowings of RMB25,000,000.00, RMB20,000,000.00, RMB15,000,000.00, RMB10,000,000.00, RMB5,000,000.00 and RMB5,000,000.00, respectively, for Anshan Jidong Cement Co., Ltd., which will expire on 23 November 2024, 26 May 2025, 15 December 2024, 26 October 2024, 29 July 2024 and 28 June 2025, respectively.
- Note 4:* As of 30 June 2024, the asset-backed securities and asset-backed bills issued by a subsidiary of the Company but not yet due amounted to RMB550,000,000 (31 December 2023: RMB550,000,000). For the senior asset-backed securities and asset-backed bills with an amount of RMB525,000,000 (31 December 2023: RMB525,000,000), the Group is subject to the obligations of liquidity supplementary payments for the difference between the fund from the senior asset-backed securities and asset-backed bills available for distribution and payment for the fixed return and principal of such senior asset-backed securities and asset-backed bills at the due date. The Group evaluated that the possibility of the obligations of liquidity supplementary payments is low.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

PLEDGE OF ASSETS

As at 30 June 2024, certain of the Group's cash and bank balances, inventories, bill receivables, receivables financing, construction in progress, fixed assets, investment properties, land use rights, equity interest, restricted cash arising from pre-sales of properties and other assets totaling approximately RMB30,730.4 million (as at 31 December 2023: RMB31,384.0 million) were pledged to secure the short-term and long-term loans of the Group, which accounted for approximately 11.4% of the total assets of the Group (as at 31 December 2023: 11.6%).

EMPLOYEES

As at 30 June 2024, the Group had 44,614 employees in total (as at 31 December 2023: 44,885). During the Reporting Period, the aggregate remuneration of the Group's employees (including Directors' remuneration) amounted to approximately RMB3,775.9 million (for the six months ended 30 June 2023: RMB3,465.7 million), representing an increase of approximately 9.0%. The Group provides its employees in the PRC with retirement insurance, medical insurance, unemployment insurance, maternity insurance and industrial injury insurance as well as a housing provident fund pursuant to PRC laws and regulations. The Group pays salaries to its employees based on a combination of factors such as their positions, lengths of service and work performance, and reviews these salaries and benefits on a regular basis.

RISK MANAGEMENT

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

MANAGEMENT DISCUSSION AND 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 exchange risks. The Group has not used any forward contract or currency borrowing to hedge its interest rate risks. Fluctuations of the exchange rates of foreign currencies did not constitute any material challenges to the Group or have any significant effects on its operations or working capital during the Reporting Period. However, the management will continue to monitor foreign exchange risks and adopt prudent measures as appropriate.

TREASURY POLICIES

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

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

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

SIGNIFICANT INVESTMENTS

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5 per cent or more of the Company's total assets as at 30 June 2024) during the Reporting Period.

SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

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

OTHER INFORMATION

LOAN ARRANGEMENTS GRANTED TO ENTITIES

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

PLEDGE OF SHARES BY CONTROLLING SHAREHOLDERS

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

BREACH OF LOAN AGREEMENTS

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

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

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

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

As at 30 June 2024, the total issued share capital of the Company was 10,677,771,134 shares, of which 8,339,006,264 were A Shares and 2,338,764,870 were H Shares. To the best knowledge of the directors of the Company (the "**Directors**"), the records of interest (being 5% or more of the Company's issued share capital) as registered in the register of interests kept by the Company under section 336 of the Securities and Futures Ordinance (the "**SFO**") were as follows:

OTHER INFORMATION

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 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	4,797,357,572	57.53	44.93
	State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality (Note)	Held by controlled corporation	4,797,357,572	57.53	44.93

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.

Save as disclosed above, as at 30 June 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.

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

As at 30 June 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 were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered in the register of interests maintained by the Company, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

OTHER INFORMATION

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 inside information in relation to the purchase and sale of the securities of the Company are also required to comply with the Model Code.

As at 30 June 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 six months ended 30 June 2024. 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.

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. As at 30 June 2024, the Group had no redeemable securities.

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

The Group did not sell, repurchase or redeem any of the securities of the Company during the six months ended 30 June 2024.

CORPORATE GOVERNANCE CODE

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

BOARD COMPOSITION

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

OTHER INFORMATION

AUDIT COMMITTEE

The Company has established the Audit Committee pursuant to the provisions of the Listing Rules, aimed at reviewing and supervising the Group's financial reporting procedures. The Audit Committee is composed of two non-executive Directors and four independent non-executive Directors. At the meeting of the Audit Committee convened on 30 August 2024, the Audit Committee had reviewed and considered the Group's unaudited interim consolidated financial statements and the internal audit report for the six months ended 30 June 2024, reviewed the accounting principles and practices adopted by the Group, considered the Group's financial statements for the first half of 2024 and recommended their adoption by the Board.

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

AUDITORS

The Board has engaged Ernst & Young Hua Ming LLP, Certified Public Accountant, to review the interim financial statements of the Company.

CHANGE IN THE DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INFORMATION PURSUANT TO RULE 13.51B OF THE LISTING RULES

The change in the Director's, supervisor's and chief executive's information as required to be disclosed pursuant to Rule 13.51(B)(1) of the Listing Rules is set out below:

Mr. Zhang Qicheng retired as a supervisor of the Company upon the conclusion of the 2023 annual general meeting on 6 June 2024 as Mr. Zhang Qicheng did not offer himself for re-election.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend in respect of the six months ended 30 June 2024 (for the six months ended 30 June 2023: Nil).

OTHER INFORMATION

INVESTOR RELATIONS MANAGEMENT

The Group strongly believes that investor relations are an integral part of maintaining good corporate governance of a listed company. During the Reporting Period, the Group has been actively maintaining contact with investors and keeping them abreast of the industry updates, corporate information and business development in a timely manner, so as to establish a platform for fair, open and transparent information disclosure. The Board Secretary, Zhang Jianfeng, is responsible for the investor relations of the Group with the full support from the Board and the senior management. During the six months ended 30 June 2024, the Group actively participated in various investor relations activities and provided real-time information to investors through its company website.

1. Investor Forums and Conferences

During the Reporting Period, the Group endeavors to continue to actively participate in roadshows and presentations organized by sizable and major investment banks in major international financial markets in Hong Kong and overseas after the publication of the results announcement for 2023. The roadshows were proved to be an excellent opportunity and platform to convey a clear message to the investors about the Group's latest operational and financial performances and business prospect for the investors' deeper and clearer understanding of the Group. Meanwhile, the Group also held investors' online briefing on the results and telephone presentations during the Reporting Period, and actively organized one-on-one and group meetings with fund managers and analysts in various regions. During the Reporting Period, the Group has met with various analysts, fund managers and financial commentators and maintained close communications with institutional investors, providing them with up-to-date information about the Group.

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 Group with the opportunity to communicate with the senior management of the Group through one-on-one and group meetings to share with them the financial performance, business updates and future prospects of the Group.

3. Results and Profit Alert Announcements

The Group had prepared detailed result reports upon release of interim and annual results accompanied by a profit alert announcement where required under Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO. Investors' online briefing on the results and telephone presentations 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.

OTHER INFORMATION

4. Maintaining Interactive 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, including but not limited to organizing press conferences for interim and annual results announcements, issuing regular press releases, releasing information on social medias, and arranging news media interviews with the management of the Group, thus increasing the Group's publicity and further strengthening its corporate image and position.

5. Timely Dissemination of Latest Corporate Updates

Company website is considered to be one of the quickest means to communicate with investors. Information was disseminated through the Company's website (www.bbm.com.cn/listco) as the platform to communicate with the public. The Group regularly updates the website contents, disseminates the latest corporate updates and developments and discloses 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 responds to different enquiries made by the shareholders, investors, analysts and media by means of email, facsimile and telephone, and publishes announcements, press releases and other latest updates on the development of the Group, so as to strengthen the effectiveness of information dissemination.

6. Action Plan for Improving Quality, Increasing Efficiency and Paying More Attention to Returns

In June 2024, the Company formulated the action plan for "improving quality, increasing efficiency and paying more attention to returns", which stated that driven by focusing on strengthening the main business, improving the quality and efficiency of operations and empowerment through technological innovation, the Company shall create new quality productivity, shape new competitive advantages and gain the initiative in development. At the same time, the Company also attached great importance to the reasonable returns to shareholders, and was committed to creating a sustained and stable return on investment for shareholders with good operation performance and sharing the results of operation and development with shareholders. Since the H shares of the Company were listed in Hong Kong in 2009, the Company has insisted on cash dividends every year, which fully demonstrates the confidence and determination of the Company to safeguard the long-term interests of shareholders. At the same time, the Company also continued to improve the governance structure, and through establishing and perfecting the internal control system, the Company continued to promote its standardized and procedural management to enhance the corporate governance level.

OTHER INFORMATION

INVESTOR INFORMATION**1. Share Particulars***H Shares*

Listing date	29 July 2009
Stock Exchange	Hong Kong Stock Exchange
Board lot	1,000 shares
Number of issued H Shares	2,338,764,870 shares (as at 30 June 2024 and 30 August 2024)
Stock code	02009.HK

A Shares

Listing date	1 March 2011
Stock Exchange	Shanghai Stock Exchange
Board lot	100 shares
Number of issued A Shares	8,339,006,264 shares (as at 30 June 2024 and 30 August 2024)
Stock code	601992.SH

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
2023 Annual General Meeting	held on 6 June 2024
Closure of register of H shares members to determine the eligibility of shareholders to attend the 2023 Annual General Meeting	3 June 2024 to 6 June 2024
Financial year end	31 December

3. Dividends

2023 final dividends	RMB0.025 per share (inclusive of applicable tax) (or equivalent to HK\$0.0275 per H share)
Closure of register of H shares members to determine the entitlement of shareholders to the 2023 final dividends	15 June 2024 to 20 June 2024
Payment of 2023 final dividends of H shares	26 July 2024

OTHER INFORMATION

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

Beijing 100013

The People's Republic of China

Investor Relations Department

Tel: (8610) 6641 7706

Fax: (8610) 6641 0889

Email: ir@bbmg.com.cn

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

Review Report



Ernst & Young Hua Ming (2024) Zhuan Zi No. 70152770_A01

To the shareholders of BBMG Corporation,

We have reviewed the financial statements of BBMG Corporation, which comprise the consolidated and the Company's balance sheets as at 30 June 2024, and the consolidated and the Company's income statements, the statements of changes in shareholders' equity and the statements of cash flows for the period from 1 January 2024 to 30 June 2024 and the notes to the financial statements. The management of BBMG Corporation is responsible for the preparation of the financial statements, while we are responsible for the presentation of a review report on the financial statements based on our review.

We conducted our review in accordance with China's Auditing Standards for the Certified Public Accountants No. 2101 – Review of Financial Statements. The standard requires our planning of and performing the audit to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. The review is principally based on the enquiries with the related staff of the Company and on the analysis procedures on the financial data only, therefore the extent of assurance provided by which fall below that obtained from audit. As a result of the non-performance of audit, we do not provide audit opinion.

Based on our review, we have not been aware of any convincing events that the accompanying financial statements had failed to be prepared in accordance with the Accounting Standards for Business Enterprises No. 32—Interim Financial Reporting in all material aspects.

Ernst & Young Hua Ming LLP

Chinese Certified Public Accountant: **Zhao Yuhong**

Chinese Certified Public Accountant: **Chen Shuai**

Beijing, the PRC

30 August 2024

Unaudited Interim Consolidated Balance Sheet

As at 30 June 2024

RMB

	Note V	30 June 2024	31 December 2023
Asset			
Current Assets			
Cash and bank balances	1	15,487,793,932.18	17,332,116,734.92
Financial assets held for trading	2	1,459,904,867.16	550,397,005.33
Bills receivable	3	898,576,299.76	613,180,024.79
Accounts receivable	4	11,595,780,347.69	8,190,446,854.77
Receivables financing	5	1,210,870,283.79	763,501,720.37
Prepayments	6	2,417,969,894.44	2,019,452,127.40
Other receivables	7	7,770,963,319.09	6,132,077,812.09
Inventories	8	90,179,060,084.82	95,810,062,788.10
Contract assets	9	276,770,366.31	235,605,433.62
Non-current assets due within one year	10	1,304,330,642.42	696,330,818.56
Other current assets	11	8,677,793,579.78	8,731,169,477.37
Total current assets		141,279,813,617.44	141,074,340,797.32
Non-current assets			
Debt investments	12	862,619,680.40	865,628,511.12
Long-term receivables	13	1,179,798,917.53	1,709,779,597.92
Long-term equity investments	14	9,173,030,270.34	9,188,694,018.61
Investment in other equity instruments	15	483,547,912.67	649,405,596.88
Other non-current financial assets	16	475,285,501.63	369,093,598.93
Investment properties	17	44,450,468,008.05	43,671,254,377.67
Fixed assets	18	44,516,766,487.73	44,080,287,415.16
Construction in progress	19	2,294,281,611.16	2,604,995,214.22
Right-of-use assets	20	991,186,704.57	977,373,084.17
Intangible assets	21	16,340,056,742.22	16,170,020,963.38
Goodwill	22	2,594,455,622.19	2,528,344,651.55
Long-term deferred expenditures	23	1,894,323,656.75	1,849,754,144.59
Deferred income tax assets	24	3,476,702,421.55	3,479,773,641.60
Other non-current assets	25	445,580,696.37	460,393,602.36
Total non-current assets		129,178,104,233.16	128,604,798,418.16
Total assets		270,457,917,850.60	269,679,139,215.48

The accompanying notes form an integral part of these financial statements

Unaudited Interim Consolidated Balance Sheet (continued)

As at 30 June 2024

RMB

	Note V	30 June 2024	31 December 2023
Liabilities and equity attributable to shareholders			
Current liabilities			
Short-term loans	27	27,461,076,401.82	29,527,007,127.21
Bills payable	28	4,286,449,294.06	3,835,290,150.26
Accounts payable	29	19,280,074,623.25	18,524,373,921.94
Receipts in advance	30	342,588,243.02	340,473,964.45
Contract liabilities	31	19,518,080,608.17	24,490,019,361.57
Wages payable	32	230,617,398.12	277,870,134.91
Tax payable	33	973,814,616.91	973,367,636.46
Other payables	34	6,766,899,693.32	6,352,234,808.50
Non-current liabilities due within one year	35	25,621,248,047.72	22,401,174,031.96
Short-term financing bonds payable	38	–	6,018,292,602.73
Other current liabilities	36	3,421,220,258.24	4,864,609,522.05
Total current liabilities		107,902,069,184.63	117,604,713,262.04
Non-current liabilities			
Long-term loans	37	50,854,976,586.29	37,741,846,739.36
Bonds payable	38	8,917,677,772.05	11,099,760,459.11
Lease liabilities	39	558,624,234.59	500,532,265.14
Long-term payables	40	313,867,016.03	213,484,881.59
Long-term wages payable	41	408,760,170.60	409,306,793.59
Accrued liabilities	42	509,590,072.55	516,634,238.79
Deferred income	43	774,533,045.46	786,216,497.15
Deferred income tax liabilities	24	6,493,196,938.42	6,442,273,261.85
Total non-current liabilities		68,831,225,835.99	57,710,055,136.58
Total liabilities		176,733,295,020.62	175,314,768,398.62

The accompanying notes form an integral part of these financial statements

Unaudited Interim Consolidated Balance Sheet (continued)

As at 30 June 2024

RMB

	Note V	30 June 2024	31 December 2023
Liabilities and equity attributable to shareholders			
Share capital	44	10,677,771,134.00	10,677,771,134.00
Other equity instruments	45	28,964,626,000.00	27,468,376,000.00
<i>Including: Perpetual bonds</i>		28,964,626,000.00	27,468,376,000.00
Capital reserve	46	5,449,518,505.38	5,461,112,758.98
Other comprehensive income	47	562,537,250.11	632,362,250.06
Specific reserve	48	74,047,508.24	68,415,551.23
Surplus reserve	49	2,935,800,236.68	2,935,800,236.68
General risk reserve	50	496,135,862.64	496,135,862.64
Retained earnings	51	23,667,333,194.45	25,267,051,623.61
Total equity attributable to the shareholders of the parent company		72,827,769,691.50	73,007,025,417.20
Minority interests		20,896,853,138.48	21,357,345,399.66
Total equity attributable to shareholders		93,724,622,829.98	94,364,370,816.86
Total liabilities and equity attributable to shareholders		270,457,917,850.60	269,679,139,215.48

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

Unaudited Interim Consolidated Income Statement

For the period from 1 January 2024 to 30 June 2024

RMB

	Note V	January to June 2024	January to June 2023
Operating revenue	52	45,562,407,331.79	49,136,301,172.13
Less: Operating costs	52	40,982,650,674.45	43,624,250,774.73
Tax and surcharges	53	570,745,602.12	364,349,273.53
Selling expenses	54	1,115,344,204.47	1,140,672,621.36
Administrative expenses	55	3,379,050,662.91	3,267,483,302.50
Research and development expenses	56	301,293,426.83	260,995,648.21
Finance costs	57	1,584,491,885.65	1,295,006,381.58
Including: Interest expenses	57	1,658,038,451.20	1,332,249,656.17
Interest income	57	85,847,026.05	142,753,690.75
Add: Other gains	58	210,176,136.00	234,156,833.80
Investment gains	59	189,787,857.94	129,104,624.11
Including: Gains from investment in associates and joint ventures	59	135,608,148.50	62,339,666.03
Derecognition gains on financial assets measured at amortized cost		4,819,320.31	8,723,280.95
Gains from changes in fair value	60	210,055,644.08	336,701,770.55
Credit impairment losses	61	(57,781,032.14)	(60,825,197.19)
Asset impairment losses	62	(330,627,705.69)	(89,319,090.45)
Gains on disposal of assets	63	999,789,339.88	619,723,080.46
Operating (loss)/profit		(1,149,768,884.57)	353,085,191.50
Add: Non-operating revenue	64	99,731,470.96	123,806,765.41
Less: Non-operating expenses	65	20,416,312.00	51,210,116.46
Total (loss)/profit		(1,070,453,725.61)	425,681,840.45
Less: Income tax expenses	67	679,089,039.98	411,023,101.69
Net (loss)/profit		(1,749,542,765.59)	14,658,738.76
Classified by continuing operations			
Net (loss)/profit from continuing operations		(1,749,542,765.59)	14,658,738.76
Classified by attribution of ownership			
Net (loss)/profit attributable to the shareholders of the parent company		(806,672,814.70)	410,060,289.04
Minority interests		(942,869,950.89)	(395,401,550.28)
Net other comprehensive income after tax	47	(126,289,897.07)	(38,148,589.37)

The accompanying notes form an integral part of these financial statements

Unaudited Interim Consolidated Income Statement (continued)

For the period from 1 January 2024 to 30 June 2024

RMB

	Note V	January to June 2024	January to June 2023
Net other comprehensive income after tax attributable to shareholders of the parent company		(69,824,999.95)	(3,991,131.30)
Other comprehensive income not allowed to be reclassified into profit or loss			
Changes arising from re-measurement of defined benefit plans		(5,914,655.80)	(5,892,568.75)
Changes in fair value of investment in other equity instruments		(67,757,887.45)	(18,584,933.91)
Other comprehensive income to be reclassified into profit or loss			
Other comprehensive income that may be reclassified into profit or loss under equity method		450,544.04	(11,617,443.80)
Cash flow hedging reserves		–	4,359,230.05
Exchange differences on foreign currency translation		3,396,999.26	13,792,094.71
The difference between the fair value and the carrying value of self-occupied properties or the inventories on the date when it changed to the investment properties measured with the fair value model		–	13,952,490.40
Net other comprehensive income after tax attributable to minority interests	47	(56,464,897.12)	(34,157,458.07)
Total comprehensive income		(1,875,832,662.66)	(23,489,850.61)
Total comprehensive income attributable to the shareholders of the parent company		(876,497,814.65)	406,069,157.74
Total comprehensive income attributable to minority interests		(999,334,848.01)	(429,559,008.35)
Basic and diluted earnings per share			
After deducting other equity instrument indicators	68	(0.12)	0.0025
Before deducting other equity instrument indicators		(0.08)	0.04

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

Unaudited Interim Consolidated Statement of Changes in Shareholders' Equity

For the period from 1 January 2024 to 30 June 2024

RMB

January to June 2024

	Equity attributable to the shareholders of the parent company										Total shareholders' equity	
	Share capital	Other equity instruments		Capital reserve	Other comprehensive income			General risk reserve	Retained earnings	Minority interests		Subtotal
		Including: Perpetual bonds				Specific reserve	Surplus reserve					
I. Balance at the end of last year and at the beginning of the period	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	
II. Movements during the period												
(1) Total comprehensive income	-	-	-	(69,824,999.95)	-	-	-	(806,672,814.70)	(876,497,814.65)	(999,334,848.01)	(1,875,832,662.66)	
(2) Capital contribution and reduction from shareholders												
1 Equity transactions that do not affect control	-	-	(11,594,253.60)	-	-	-	-	-	(11,594,253.60)	(71,149,311.78)	(82,743,565.38)	
2 Capital contributed by minority shareholders of non-wholly owned subsidiary	-	-	-	-	-	-	-	-	-	600,980,000.00	600,980,000.00	
3 Business combinations not under common control	-	-	-	-	-	-	-	-	-	23,270,806.14	23,270,806.14	
4 Issuance of perpetual bonds	-	1,496,250,000.00	-	-	-	-	-	-	1,496,250,000.00	-	1,496,250,000.00	
(3) Profit distribution												
1 Dividend to shareholders	-	-	-	-	-	-	-	(266,944,278.35)	(266,944,278.35)	(15,259,803.28)	(282,204,081.63)	
2 Interest on perpetual bonds	-	-	-	-	-	-	-	(526,101,336.11)	(526,101,336.11)	-	(526,101,336.11)	
(4) Specific reserve												
1 Appropriated during the period	-	-	-	-	81,666,201.03	-	-	-	81,666,201.03	81,671,967.02	163,338,168.05	
2 Used during the period	-	-	-	-	(76,034,244.02)	-	-	-	(76,034,244.02)	(80,671,071.27)	(156,705,315.29)	
III. Balance at the end of the period	10,677,771,134.00	28,964,626,000.00	5,449,518,505.38	562,537,250.11	74,047,508.24	2,935,800,236.68	496,135,862.64	23,667,333,194.45	72,827,769,691.50	20,896,853,138.48	93,724,622,829.98	

The accompanying notes form an integral part of these financial statements

Unaudited Interim Consolidated Statement of Changes in Shareholders' Equity (continued)

For the period from 1 January 2024 to 30 June 2024

RMB

January to June 2023

	Equity attributable to the shareholders of the parent company										Total shareholders' equity
	Share capital	Other equity instruments Including: Perpetual bonds	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Retained earnings	Subtotal	Minority interests	
I. Balance at the end of last year and at the beginning of the period	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 period											
(1) Total comprehensive income	-	-	-	(3,991,131.30)	-	-	-	410,060,289.04	406,069,157.74	(429,559,008.35)	(23,489,850.61)
(2) Capital contribution and reduction from shareholders											
1 Equity transactions that do not affect control	-	-	-	-	-	-	-	-	-	(6,400,000,000.00)	(6,400,000,000.00)
2 Reduction of minority interests upon disposal of subsidiaries	-	-	-	-	-	-	-	-	-	(6,485,012.44)	(6,485,012.44)
3 Reduction of minority interests upon deregistration of subsidiaries	-	-	-	-	-	-	-	-	-	(2,013,284,761.96)	(2,013,284,761.96)
4 Capital contributed by minority shareholders of non-wholly owned subsidiary	-	-	-	-	-	-	-	-	-	141,398,410.00	141,398,410.00
5 Issuance of perpetual bonds	-	11,500,000,000.00	-	-	-	-	-	-	11,500,000,000.00	-	11,500,000,000.00
6 Redemption of perpetual bonds	-	(3,000,000,000.00)	-	-	-	-	-	-	(3,000,000,000.00)	-	(3,000,000,000.00)
(3) Profit distribution											
1 Dividend to shareholders	-	-	-	-	-	-	-	(715,410,665.98)	(715,410,665.98)	(406,688,811.57)	(1,122,099,477.55)
2 Interest on perpetual bonds	-	-	-	-	-	-	-	(383,489,404.17)	(383,489,404.17)	-	(383,489,404.17)
(4) Specific reserve											
1 Appropriated during the period	-	-	-	-	87,861,280.88	-	-	-	87,861,280.88	83,106,574.83	170,967,855.71
2 Used during the period	-	-	-	-	(64,502,549.08)	-	-	-	(64,502,549.08)	(66,265,408.83)	(130,767,957.91)
III. Balance at the end of the period	10,677,771,134.00	24,999,000,000.00	5,432,314,011.21	682,311,170.39	86,153,140.07	2,620,134,353.87	495,759,173.46	26,467,000,201.88	71,460,443,184.88	22,168,245,124.58	93,628,688,309.46

The accompanying notes form an integral part of these financial statements

Unaudited Interim Consolidated Statement of Cash Flows

For the period from 1 January 2024 to 30 June 2024

RMB

	Note V	January to June 2024	January to June 2023
I. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		40,677,715,104.89	52,776,652,866.38
Refunds of taxes		167,476,013.66	482,894,246.51
Cash received from other operating activities	69	4,721,649,090.50	680,182,571.47
Subtotal of cash inflows from operating activities		45,566,840,209.05	53,939,729,684.36
Cash paid for goods and services		34,618,001,296.13	37,196,555,719.07
Cash paid to and on behalf of employees		3,872,583,890.92	3,716,858,772.97
Cash paid for all types of taxes		2,980,809,485.41	4,753,474,903.34
Net increase in deposits placed with the Central Bank		12,041,379.22	117,742,513.93
Cash paid for other operating activities	69	8,253,540,428.71	3,936,709,996.46
Subtotal of cash outflows from operating activities		49,736,976,480.39	49,721,341,905.77
Net cash flows (used in)/generated from operating activities	70	(4,170,136,271.34)	4,218,387,778.59
II. Cash flows from investing activities:			
Cash received from redemption of investments	69	145,280,516.04	2,389,694,424.92
Cash received from return on investments		219,861,268.29	195,580,856.32
Increase in net cash for acquisition of subsidiaries and other operating units	70	49,006,044.84	–
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		636,102,694.62	824,758,361.64
Cash received from other investing activities	69	207,541,687.13	1,235,719,430.73
Subtotal of cash inflows from investing activities		1,257,792,210.92	4,645,753,073.61
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		1,241,603,487.25	1,725,363,285.91
Cash paid for investments	69	1,493,138,943.76	707,244,155.29
Decrease in net cash received from disposal of subsidiaries and other operating units	70	9,961,669.64	795,612.81
Cash paid for other investing activities	69	395,000,000.00	–
Subtotal of cash outflows from investing activities		3,139,704,100.65	2,433,403,054.01
Net cash flows (used in)/generated from investing activities		(1,881,911,889.73)	2,212,350,019.60

The accompanying notes form an integral part of these financial statements

Unaudited Interim Consolidated Statement of Cash Flows (continued)

For the period from 1 January 2024 to 30 June 2024

RMB

	Note V	January to June 2024	January to June 2023
III. Cash flows from financing activities:			
Cash received from investment absorption		600,980,000.00	124,631,800.00
<i>Including: Cash received by subsidiaries from minority interests</i>		<i>600,980,000.00</i>	<i>124,631,800.00</i>
Cash received from issuance of bonds		5,298,000,000.00	7,000,000,000.00
Cash received from issuance of perpetual bonds		1,496,250,000.00	11,500,000,000.00
Cash received from borrowings		28,414,394,388.89	21,710,924,287.41
Cash received from other financing activities	69	467,466,679.18	–
Subtotal of cash inflows from financing activities		<u>36,277,091,068.07</u>	<u>40,335,556,087.41</u>
Cash paid for repayment of debts		19,005,200,226.65	15,349,037,534.26
Cash paid for distribution of dividends or profits or for interest expenses		2,485,113,224.89	2,667,103,642.30
<i>Including: Dividends and profits paid by subsidiaries to minority interests</i>		<i>11,114,092.20</i>	<i>342,295,883.97</i>
Cash paid for repayment of bonds		10,216,001,000.00	9,808,506,100.00
Cash paid for repayment of perpetual bonds		–	3,000,000,000.00
Cash paid for other financing activities	69	403,425,318.00	9,023,913,037.68
Subtotal of cash outflows from financing activities		<u>32,109,739,769.54</u>	<u>39,848,560,314.24</u>
Net cash flows from financing activities		<u>4,167,351,298.53</u>	<u>486,995,773.17</u>
IV. Effect of changes in exchange rate on cash and cash equivalents		<u>(6,939,229.45)</u>	<u>(10,129,379.92)</u>
V. Net (decrease)/increase in cash and cash equivalents	70	<u>(1,891,636,091.99)</u>	6,907,604,191.44
Add: Balance of cash and cash equivalents at the beginning of the period	70	<u>13,779,108,469.50</u>	<u>9,775,406,159.73</u>
VI. Balance of cash and cash equivalents at the end of the Period	70	<u>11,887,472,377.51</u>	<u>16,683,010,351.17</u>

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

Unaudited Interim Balance Sheet of the Company

As at 30 June 2024

RMB

	Note XIII	30 June 2024	31 December 2023
Assets			
Current assets			
Cash and bank balances		6,863,451,976.69	6,243,464,203.43
Accounts receivable		17,146,387.66	8,620,780.74
Other receivables	1	56,918,529,617.06	58,065,746,084.73
Other current assets	2	693,712,669.53	642,310,000.00
Total current assets		64,492,840,650.94	64,960,141,068.90
Non-current assets			
Long-term equity investments	3	65,183,019,218.20	64,115,192,488.50
Investment in other equity instruments		200,000.00	200,000.00
Other non-current financial assets		475,285,501.63	369,093,598.93
Investment properties	4	13,964,979,069.59	13,753,284,490.75
Fixed assets		760,211,189.48	793,391,725.85
Intangible assets		313,916,393.80	317,829,345.75
Long-term deferred expenditures		7,056,932.26	7,910,527.26
Deferred income tax assets		149,131,260.07	148,905,425.13
Other non-current assets		479,686,724.59	467,673,967.24
Total non-current assets		81,333,486,289.62	79,973,481,569.41
Total assets		145,826,326,940.56	144,933,622,638.31

The accompanying notes form an integral part of these financial statements

Unaudited Interim Balance Sheet of the Company (continued)

As at 30 June 2024

RMB

	30 June 2024	31 December 2023
Liabilities and equity attributable to shareholders		
Current liabilities		
Short-term loans	21,026,499,255.56	25,011,889,845.88
Accounts payable	23,374,791.63	17,854,643.90
Receipts in advance	133,522,481.10	107,519,264.39
Wages payable	1,680,445.80	16,574,003.14
Tax payable	37,365,913.55	39,475,838.35
Other payables	2,519,877,053.11	2,700,798,457.23
Short-term financing bonds payable	–	6,018,292,602.73
Non-current liabilities due within one year	18,362,365,857.54	14,321,525,976.44
Total current liabilities	<u>42,104,685,798.29</u>	<u>48,233,930,632.06</u>
Non-current liabilities		
Long-term loans	30,091,883,611.12	21,584,190,000.00
Bonds payable	4,460,409,864.83	7,451,169,024.15
Long-term wages payable	165,559,921.46	171,706,497.46
Deferred income tax liabilities	2,720,004,154.74	2,664,552,986.90
Total non-current liabilities	<u>37,437,857,552.15</u>	<u>31,871,618,508.51</u>
Total liabilities	<u>79,542,543,350.44</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	28,964,626,000.00	27,468,376,000.00
Including: Perpetual bonds	28,964,626,000.00	27,468,376,000.00
Capital reserve	6,674,854,902.82	6,674,854,902.82
Other comprehensive income	308,490,705.62	312,759,374.62
Surplus reserve	2,935,800,236.68	2,935,800,236.68
Retained earnings	16,722,240,611.00	16,758,511,849.62
Total equity attributable to shareholders	<u>66,283,783,590.12</u>	<u>64,828,073,497.74</u>
Total liabilities and equity attributable to shareholders	<u>145,826,326,940.56</u>	<u>144,933,622,638.31</u>

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

Unaudited Interim Income Statement of the Company

For the period from 1 January 2024 to 30 June 2024

RMB

	Note XIII	January to June 2024	January to June 2023
Operating revenue	5	444,640,709.24	588,590,079.20
Less: Operating costs	5	46,249,306.08	143,906,441.05
Tax and surcharges		64,046,047.75	63,370,629.80
Selling expenses		12,067,878.89	15,173,222.39
Administrative expenses		87,434,669.55	19,360,032.13
Research and development expenses		38,825,663.53	44,021,039.25
Finance costs		201,412,163.82	321,093,688.79
Including: Interest expenses		1,131,979,265.59	1,454,639,095.84
Interest income		938,168,017.94	1,163,827,818.52
Add: Other gains		331,614.03	421,174.73
Investment gains	6	588,067,972.42	716,266,300.35
Including: Gains from investment in associates and joint ventures		70,722,616.97	12,504,501.09
Gains from changes in fair value		221,804,671.37	221,550,192.17
(Losses)/gains on disposal of assets		(6,625.45)	501,140,166.83
Operating profit		804,802,611.99	1,421,042,859.87
Add: Non-operating revenue		7,521,452.54	19,910,271.02
Less: Non-operating expenses		324,355.79	1,492,475.75
Total profit		811,999,708.74	1,439,460,655.14
Less: Income tax expenses		55,225,332.90	47,881,113.93
Net profit		756,774,375.84	1,391,579,541.21
Including: Net profit from continuing operations		756,774,375.84	1,391,579,541.21
Net other comprehensive income after tax		(4,268,669.00)	(5,565,514.00)
Other comprehensive income not allowed to be reclassified into profit or loss			
Changes arising from re-measurement of defined benefit plans		(4,268,669.00)	(5,565,514.00)
Total comprehensive income		752,505,706.84	1,386,014,027.21

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

Unaudited Interim Statement of Changes in Shareholders' Equity of the Company

For the period from 1 January 2024 to 30 June 2024

RMB

January to June 2024

	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total shareholders' equity
I. Balance at the beginning of the period	10,677,771,134.00	27,468,376,000.00	6,674,854,902.82	312,759,374.62	2,935,800,236.68	16,758,511,849.62	64,828,073,497.74
II. Movements during the period							
(1) Total comprehensive income	-	-	-	(4,268,669.00)	-	756,774,375.84	752,505,706.84
1 Issuance of perpetual bonds	-	1,496,250,000.00	-	-	-	-	1,496,250,000.00
(2) Profit distribution							
1 Dividend to shareholders	-	-	-	-	-	(266,944,278.35)	(266,944,278.35)
2 Interest on perpetual bonds	-	-	-	-	-	(526,101,336.11)	(526,101,336.11)
III. Balance at the end of the period	10,677,771,134.00	28,964,626,000.00	6,674,854,902.82	308,490,705.62	2,935,800,236.68	16,722,240,611.00	66,283,783,590.12

The accompanying notes form an integral part of these financial statements

Unaudited Interim Statement of Changes in Shareholders' Equity of the Company (continued)

For the period from 1 January 2024 to 30 June 2024

RMB

January to June 2023

	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total shareholders' equity
I. Balance at the beginning of the period	10,677,771,134.00	16,499,000,000.00	6,674,854,902.82	312,924,868.62	2,620,134,353.87	15,515,527,520.34	52,300,212,779.65
II. Movements during the period							
(1) Total comprehensive income	-	-	-	(5,565,514.00)	-	1,391,579,541.21	1,386,014,027.21
(2) Capital contribution and reduction from shareholders							
1 Issuance of perpetual bonds	-	11,500,000,000.00	-	-	-	-	11,500,000,000.00
2 Redemption of perpetual bonds	-	(3,000,000,000.00)	-	-	-	-	(3,000,000,000.00)
(3) Profit distribution							
1 Dividend to shareholders	-	-	-	-	-	(715,410,665.98)	(715,410,665.98)
2 Interest on perpetual bonds	-	-	-	-	-	(383,489,404.17)	(383,489,404.17)
III. Balance at the end of the period	10,677,771,134.00	24,999,000,000.00	6,674,854,902.82	307,359,354.62	2,620,134,353.87	15,808,206,991.40	61,087,326,736.71

The accompanying notes form an integral part of these financial statements

Unaudited Interim Statement of Cash Flows of the Company

For the period from 1 January 2024 to 30 June 2024

RMB

	January to June 2024	January to June 2023
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	504,746,999.19	535,424,011.81
Cash received from other operating activities	<u>9,901,341,950.28</u>	<u>23,679,763,970.08</u>
Subtotal of cash inflows from operating activities	<u>10,406,088,949.47</u>	<u>24,215,187,981.89</u>
Cash paid for goods and services	36,904,920.70	30,556,702.43
Cash paid to and on behalf of employees	52,920,494.97	56,332,134.51
Cash paid for all types of taxes	87,500,758.22	105,474,167.11
Cash paid for other operating activities	<u>7,499,282,064.04</u>	<u>15,379,296,976.15</u>
Subtotal of cash outflows from operating activities	<u>7,676,608,237.93</u>	<u>15,571,659,980.20</u>
Net cash flows from operating activities	<u>2,729,480,711.54</u>	<u>8,643,528,001.69</u>
II. Cash flows from investing activities:		
Cash received from redemption of investments	2,352,684.13	500,000,000.00
Cash received from return on investments	8,352,571.32	189,161,799.26
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<u>145,262.50</u>	<u>666,358,673.00</u>
Subtotal of cash inflows from investing activities	<u>10,850,517.95</u>	<u>1,355,520,472.26</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	22,485,965.47	16,774,546.57
Cash paid for investments	<u>1,383,925,743.76</u>	<u>7,057,387,801.18</u>
Subtotal of cash outflows from investing activities	<u>1,406,411,709.23</u>	<u>7,074,162,347.75</u>
Net cash flows used in investing activities	<u>(1,395,561,191.28)</u>	<u>(5,718,641,875.49)</u>

The accompanying notes form an integral part of these financial statements

Unaudited Interim Statement of Cash Flows of the Company (continued)

For the period from 1 January 2024 to 30 June 2024

RMB

	January to June 2024	January to June 2023
III. Cash flows from financing activities:		
Cash received from issuance of bonds	3,500,000,000.00	7,000,000,000.00
Cash received from borrowings	16,518,827,000.00	14,008,800,000.00
Cash received from issuance of perpetual bonds	<u>1,496,250,000.00</u>	<u>11,500,000,000.00</u>
Subtotal of cash inflows from financing activities	<u>21,515,077,000.00</u>	<u>32,508,800,000.00</u>
Cash paid for repayment of debts	10,343,750,000.00	19,484,500,000.00
Cash paid for distribution of dividends or profits or for interest expenses	1,884,336,991.26	1,934,842,880.97
Cash paid for repayment of bonds	10,001,000,000.00	9,808,494,000.00
Cash paid for repayment of perpetual bonds	<u>–</u>	<u>3,000,000,000.00</u>
Subtotal of cash outflows from financing activities	<u>22,229,086,991.26</u>	<u>34,227,836,880.97</u>
Net cash flows used in financing activities	<u>(714,009,991.26)</u>	<u>(1,719,036,880.97)</u>
IV. Effect of changes in exchange rate on cash and cash equivalent	<u>78,244.26</u>	–
V. Net increase in cash and cash equivalents	619,987,773.26	1,205,849,245.23
Add: Balance of cash and cash equivalents at the beginning of the period	<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 Period	<u>6,863,451,976.69</u>	<u>6,782,230,186.91</u>

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

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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 Group’s parent company and ultimate controlling party are Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司) (hereinafter referred to as “BSCOMC”) and the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality, respectively.

These financial statements were approved for disclosure by a resolution of the board of directors of the Company on 30 August 2024.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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, the implementation guidance, 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.

The financial statements are presented on a going concern basis.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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 30 June 2024 and their financial performance and cash flows for the period from 1 January 2024 to 30 June 2024.

2. Accounting period

The accounting year for the Group is from 1 January to 31 December of each calendar year. The accounting period for this report is from 1 January to 30 June 2024.

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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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.

Business combinations 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.

Business combinations not under common control

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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

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.

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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

6. Consolidated financial statements *(continued)*

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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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.

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 and writes off a financial asset (or part of a financial asset, or part of a group of similar financial assets) from its account and balance sheet when the following conditions are met:

- (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.

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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

10. Financial instruments *(continued)*

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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

10. Financial instruments *(continued)*

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.

Impairment of financial instruments

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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

10. Financial instruments *(continued)*

Impairment of financial instruments *(continued)*

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

Please refer to Note VIII. 2 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.

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.

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.

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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

10. Financial instruments *(continued)*

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.

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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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. Land use rights for development purpose are also classified as part of properties under development, and 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.

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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

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

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.

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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

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.

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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

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 during which they are 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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

16. Borrowing costs *(continued)*

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.

17. Intangible assets

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

The remaining intangible assets (including trademarks with definite use life) 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
Trademarks	10 years	Straight-line method

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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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 period and subsequent periods, including costs of leasehold improvements, renovation expenses, stripping cost of mines and land lease prepayments and compensation for land acquisition. Long-term deferred expenditures are 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.

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.

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.

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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

20. Employee benefits *(continued)*

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.

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. Accrued 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 accrued liability.

Accrued 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 accrued liabilities is reviewed at each balance sheet date and is adjusted appropriately to reflect the current best estimate.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

22. Other equity instruments

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

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

23. Revenue from contracts with customers

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

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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

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

Sales contracts of goods (continued)

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.

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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

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

Contracts for provision of services

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

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

Construction Contracts

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

The Group provides quality assurance for the assets constructed pursuant to contractual agreement and laws and regulations. The Group performs accounting treatments in accordance with Note III. 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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

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

Construction Contracts *(continued)*

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

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

24. Contract assets and contract liabilities

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

Contract assets

Contract asset refers to the right to consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than the passage of time.

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

Contract liabilities

Contract liabilities present the obligation to transfer goods or services to a customer for consideration received or receivable from the customer, such as the amount received by the enterprise before the promised goods or services are transfer to the customers.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

25. Assets related to contractual cost

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

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

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

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

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

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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 relates; 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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

27. Deferred income tax *(continued)*

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

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

28. Leases

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

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.

Right-of-use assets

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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

28. Leases *(continued)*

As a lessee (continued)

Lease liabilities

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.

In calculating the present value of the lease payments, the Group uses the implicit interest rate in the lease as the discount rate; if the implicit interest rate of the lease cannot be determined, the lessee's incremental borrowing rate is used as the discount rate. The Group calculates the interest expense of the lease liabilities for each period of the lease term based on the fixed periodic interest rate and recognises it in profit or loss for the current period, unless otherwise stipulated to be recognized in related asset costs. 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.

After the commencement date of the lease term, the Group increases the carrying amount to reflect interest on the lease liability and reduce the carrying amount to reflect lease payments made. 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.

Short-term lease and low-value asset lease

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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

28. Leases *(continued)*

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.

As a lessor of a finance lease

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.

As a lessor of an operating 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.

Sale and leaseback transactions

The Group will estimate and determine whether the asset transfer under the sale and leaseback transactions shall be treated as a sale according to Note III. 23.

As a lessee

Where asset transfer under the sale and leaseback transactions is a sale, the Group, as a lessee, shall measure the right-of-use assets created by the sale and leaseback based on the portion of carrying amount of the original assets related to right of use obtained upon leaseback, and only recognize relevant profit or loss for the right transferred to the lessor; where asset transfer under the sale and leaseback transactions is not a sale, the Group, as a lessee, will continue to recognize the transferred assets while recognize a financial liability equal to the transfer income and account for such liability according to Note III. 10.

As a lessor

Where asset transfer under the sale and leaseback transactions is a sale, the Group, as a lessor, will account for the asset purchase and account for the asset lease according to the provision above; where asset transfer under the sale and leaseback transactions is not a sale, the Group, as a lessor, will not recognize the transferred assets, but recognize a financial asset equal to the transfer income and account for such financial asset according to Note III. 10.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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.

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:

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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

29. Hedge accounting *(continued)*

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

The Group measures its investment properties, financial assets held for trading and investment in other equity instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

32. Securitization

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.

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.

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 – 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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

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

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 30 June 2024, the perpetual bond balance in other equity instruments of the Group amounted to RMB29.0 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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

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

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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

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

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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

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

Uncertainty of estimation (continued)

Provision for decline in value of inventory

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

Measurement of defined benefit obligations

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

Useful lives and residual values of fixed assets

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

Lessee's incremental borrowing rate

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

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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
Environmental protection tax	Pollution equivalent number converted from the amount of pollutant discharge	RMB1.2-14/ pollution equivalent number
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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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 Taxation Administration on Issues concerning Implementation of Income Tax Preferences for High-tech Enterprises (《國家稅務總局關於實施高新技術企業所得稅優惠有關問題的通知》). According to the Announcement on Tax and Fee Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Businesses (《關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告》)(Caishui [2023] No. 12), from 1 January 2022 to 31 December 2027, 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; from 1 January 2023 to 31 December 2027, the portion of annual taxable income of a small low-profit enterprise which exceeds 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 aforesaid preferential corporate income tax policy during the period. Additionally, based on Inner Mongolia's preferential corporate income tax policy for small low-profit enterprises, Inner Mongolia BBMG Dacheng Property Management Co., Ltd. is exempt from 40% of the local portion of corporate income tax.
- 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 No. 12, 2012 of the State Taxation Administration 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 No. 23, 2020 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 Group 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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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), 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. 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. 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 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., a subsidiary of the Group, enjoy 50% VAT refund upon collection preferential policy in respect of their eligible novel wall materials.
- c. In accordance with the requirements of the Notice of the Ministry of Finance and the State Taxation Administration 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.

Other taxes

- a. In accordance with the Announcement on Tax and Fee Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Businesses (《關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告》) (Caishui [2023] No. 12), the Group's small low-profit enterprises are eligible for a 50% reduction in the collection of city maintenance and construction tax, real estate tax, urban and rural land use tax, educational surcharges, local education surcharges, etc.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

	30 June 2024	31 December 2023
Cash on hand	1,018,050.00	447,812.31
Bank deposits	13,822,756,188.87	15,605,166,555.47
Other cash and bank balances	480,496,612.30	555,020,665.35
Statutory deposit reserve placement with central bank by finance company	<u>1,183,523,081.01</u>	<u>1,171,481,701.79</u>
Total	15,487,793,932.18	17,332,116,734.92
<i>Including: Total amount of funds deposited overseas</i>	<u>125,233,072.48</u>	<u>122,609,680.86</u>

2. Financial assets held for trading

	30 June 2024	31 December 2023
Financial assets at fair value through profit or loss		
Debt instruments investment	1,441,511,767.16	535,773,605.33
Equity instrument investment	<u>18,393,100.00</u>	<u>14,623,400.00</u>
Total	<u>1,459,904,867.16</u>	<u>550,397,005.33</u>

3. Bills receivable

	30 June 2024	31 December 2023
Bank acceptance bills	55,673,542.91	256,403,385.75
Commercial acceptance bills	865,804,916.78	383,900,242.57
Less: Provision for bad debts of bills receivable	<u>22,902,159.93</u>	<u>27,123,603.53</u>
Total	<u>898,576,299.76</u>	<u>613,180,024.79</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

3. Bills receivable (continued)

Bills endorsed or discounted but not yet due at the balance sheet date are as follows:

	30 June 2024		31 December 2023	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance bills	–	32,542,413.03	–	72,991,177.23
Commercial acceptance bills	–	515,369,603.99	–	207,745,893.41
Total	–	547,912,017.02	–	280,737,070.64

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

	January to June 2024	2023
Balance at the beginning of the period/year	27,123,603.53	27,780,744.42
Provision for the period/year	986,409.75	5,200,998.61
Reversal for the period/year	(4,158,899.52)	(5,858,139.50)
Write-off for the period/year	(1,048,953.83)	–
Balance at the end of the period/year	22,902,159.93	27,123,603.53

See Note VIII. 5 for transfer of bills receivable.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable

An aging analysis of accounts receivable is as follows:

	30 June 2024	31 December 2023
Within 1 year	9,373,448,898.74	6,189,659,061.37
1 to 2 years	1,994,465,100.65	1,712,414,104.79
2 to 3 years	868,259,125.44	969,555,899.61
3 to 4 years	498,922,284.73	483,129,415.95
4 to 5 years	312,245,780.97	263,346,501.24
Over 5 years	<u>1,456,328,425.23</u>	<u>1,432,160,614.19</u>
	14,503,669,615.76	11,050,265,597.15
Less: Provision for bad debts of accounts receivable	<u>2,907,889,268.07</u>	<u>2,859,818,742.38</u>
Total	<u>11,595,780,347.69</u>	<u>8,190,446,854.77</u>

	30 June 2024				
	Balance of carrying amount		Provision for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Individual provision for bad debts	2,025,037,391.62	13.96	787,233,458.37	38.88	1,237,803,933.25
Provision for bad debts by credit risk characteristics group	<u>12,478,632,224.14</u>	<u>86.04</u>	<u>2,120,655,809.70</u>	<u>16.99</u>	<u>10,357,976,414.44</u>
Total	<u>14,503,669,615.76</u>	<u>100.00</u>	<u>2,907,889,268.07</u>	<u>20.05</u>	<u>11,595,780,347.69</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable (continued)

	31 December 2023				
	Balance of carrying amount		Provision for bad debts		Carrying value
	Amount	Proportion (%)	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 were as follows:

30 June 2024

	Balance of carrying amount	Provision for bad debts	Reasons for provision
Unit 1	95,793,205.69	20,081,584.22	Partial 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	<u>1,702,887,538.04</u>	<u>540,795,226.26</u>	Partial uncollectible
Total	<u>2,025,037,391.62</u>	<u>787,233,458.37</u>	

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable (continued)

31 December 2023

	Balance of carrying amount	Provision for bad debts	Reasons for provision
Unit 1	95,793,205.69	20,081,584.22	Partial 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	<u>1,124,487,040.41</u>	<u>515,278,855.53</u>	Partial uncollectible
Total	<u>1,446,636,893.99</u>	<u>761,717,087.64</u>	

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	<u>12,478,632,224.14</u>	<u>2,120,655,809.70</u>	16.99

The movements in provision for bad debts of accounts receivable was as follows:

	January to June 2024	2023
Balance at the beginning of the period/year	2,859,818,742.38	2,721,890,819.75
Provision for the period/year	52,241,810.02	173,037,229.09
Transfer in upon acquisition of subsidiaries	6,948,757.19	41,793,582.13
Reversal for the period/year	(5,461,950.05)	(13,585,182.75)
Write-off for the period/year	(492,102.06)	(37,314,018.38)
Transfer out upon disposal of subsidiaries	(8,974,451.77)	(26,006,542.10)
Other transfer in	3,808,462.36	2,854.64
Balance at the end of the period/year	<u>2,907,889,268.07</u>	<u>2,859,818,742.38</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable (continued)

Among them, the significant amounts for the recovery or reversal of bad debt provisions for the period are as follows:

	Amount recovered or reversed	Reason for reversal	Method of recovery	Basis of determining original provision ratio of bad debt and its rationality
Unit 6	1,340,979.36	Payment recovery	Bank deposits	Individual provision
Other units	<u>4,120,970.69</u>	Payment recovery	Bank deposits	Individual provision
Total	<u>5,461,950.05</u>			

The actual write-off amount for the period is RMB492,102.06, with no significant write-offs.

As at 30 June 2024, the top five of the amounts for accounts receivable and contract assets are as follows:

	Closing balance of accounts receivable	Closing balance of contract asset	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 and impairment provision for contract assets
First	469,775,979.33	11,928,593.96	6,582,476.06	488,287,049.35	3.00	68,791,675.53
Second	328,898,715.88	6,039,082.41	20,220,798.06	355,158,596.35	2.18	69,577,960.56
Third	299,427,909.36	4,269,102.44	15,753,357.31	319,450,369.11	1.96	27,981,230.90
Fourth	194,225,219.99	-	-	194,225,219.99	1.19	-
Fifth	<u>146,685,346.42</u>	<u>12,252,471.78</u>	<u>19,906,987.05</u>	<u>178,844,805.25</u>	<u>1.10</u>	<u>22,866,249.14</u>
Total	<u>1,439,013,170.98</u>	<u>34,489,250.59</u>	<u>62,463,618.48</u>	<u>1,535,966,040.05</u>	<u>9.43</u>	<u>189,217,116.13</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

5. Receivables financing

	30 June 2024	31 December 2023
Bank acceptance bills	<u>1,210,870,283.79</u>	<u>763,501,720.37</u>

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 30 June 2024, the pledged bank acceptance bills of RMB4,000,000.00 was used for invoicing. For details of discounting and pledge of bank acceptance bills, please refer to Note V. 26.

As at 30 June 2024, the Group's bills endorsed or discounted but not yet due are as follows:

	Derecognised at the end of the period
Bank acceptance bills	<u>4,048,130,342.55</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
Bank acceptance bills	<u>2,504,171,864.36</u>

As at 30 June 2024, the Group endorsed the undue notes receivable to its suppliers or discounted to banks to settle trade payables of the same amounts and derecognised these notes receivable and payables to suppliers in their entirety as the Group's management considered that the risks and rewards of ownership of these undue bills have been substantially transferred. The Group's continuous involvement in these derecognised undue notes receivable is limited to when the issuance banks of these undue notes are unable to settle the amounts due to the holders of these notes. As at 30 June 2024, the maximum exposure to loss from its continuous involvement represents the amounts of undue notes receivable of RMB4,048,130,342.55 (31 December 2023: RMB2,504,171,864.36), which the Group endorsed to its suppliers or discounted to banks.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

6. Prepayments

An aging analysis of prepayments is as follows:

	30 June 2024		31 December 2023	
	Balance of carrying amount	Proportion (%)	Balance of carrying amount	Proportion (%)
Within 1 year	2,293,081,485.65	93.72	1,927,812,071.27	94.15
1 to 2 years	89,685,671.15	3.67	78,377,883.05	3.83
2 to 3 years	32,684,170.01	1.34	12,651,373.85	0.62
Over 3 years	31,315,271.90	1.28	28,825,885.58	1.41
	2,446,766,598.71	100.00	2,047,667,213.75	100.00
Less: Provision for bad debts of prepayments	28,796,704.27		28,215,086.35	
Total	2,417,969,894.44		2,019,452,127.40	

As at 30 June 2024, there were no significant prepayments aging over 1 year (31 December 2023: Nil).

As at 30 June 2024, the aggregation of the top five prepayments is as follows:

	Closing balance	Percentage to the total closing balance of prepayments (%)
Total	749,109,189.00	30.62

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

6. Prepayments (continued)

As at 30 June 2024, the provision for bad debts of prepayments is as follows:

	January to June 2024	2023
Balance at the beginning of the period/year	28,215,086.35	28,202,020.78
Provision for the period/year	3,128,015.51	5,138,982.94
Reversal for the period/year	(2,720,910.18)	(1,349,980.19)
Transfer out upon disposal of subsidiaries	–	(1,591,024.34)
Other transfer in/(transfer out)	174,512.59	(2,184,912.84)
	28,796,704.27	28,215,086.35

As at the balance sheet date, the management identified and made provision for bad debts of significant prepayments with individual identification method.

7. Other receivables

	30 June 2024	31 December 2023
Interests receivable	37,625,840.62	33,602,374.77
Dividends receivable	3,358,000.00	2,760,000.00
Other receivables	7,729,979,478.47	6,095,715,437.32
Total	7,770,963,319.09	6,132,077,812.09

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

7. Other receivables (continued)

Interests receivable

	30 June 2024	31 December 2023
Special loans for projects	37,625,840.62	33,602,374.77

An aging analysis of other receivables is as follows:

	30 June 2024	31 December 2023
Within 1 year	5,222,896,749.88	2,415,682,871.70
1 to 2 years	293,471,681.87	1,518,395,417.40
2 to 3 years	740,380,024.51	639,424,759.60
3 to 4 years	507,870,348.99	740,045,882.35
4 to 5 years	611,395,863.17	481,071,391.42
Over 5 years	3,457,013,580.62	3,281,198,674.84
	10,833,028,249.04	9,075,818,997.31
Less: Provision for bad debts of other receivables	3,062,064,929.95	2,943,741,185.22
Total	7,770,963,319.09	6,132,077,812.09

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

7. Other receivables (continued)

The balance of carrying amount of other receivables classified by nature is as follows:

	30 June 2024	31 December 2023
Interests receivable	37,625,840.62	33,602,374.77
Interests of borrowings due from associates and joint ventures	37,625,840.62	33,602,374.77
Dividends receivable	3,358,000.00	2,760,000.00
Other receivables	10,792,044,408.42	9,039,456,622.54
Deposits and reserve funds	2,500,360,766.81	1,202,785,203.79
Current account with other entities	2,826,825,242.72	2,884,664,916.72
Disbursements previously made	1,186,292,598.54	1,567,496,241.14
Investment receivable	192,850,329.98	299,208,323.12
Government grants receivable	25,567,527.59	19,950,478.15
Amount due from associates	680,144,525.51	660,065,397.17
Amount due from joint ventures	200,668,548.28	16,668,192.49
Other current account	3,179,334,868.99	2,388,617,869.96
	10,833,028,249.04	9,075,818,997.31
Less: Provision for bad debts of other receivables	3,062,064,929.95	2,943,741,185.22
Total	7,770,963,319.09	6,132,077,812.09

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

7. Other receivables (continued)

30 June 2024

	Balance of carrying amount		Provision for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Individual provision for bad debts	9,749,467,261.57	90.34	2,448,909,262.46	25.12	7,300,557,999.11
Provision for bad debts by credit risk characteristics group	1,042,577,146.85	9.66	613,155,667.49	58.81	429,421,479.36
Total	10,792,044,408.42	100.00	3,062,064,929.95	28.37	7,729,979,478.47

31 December 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	910,620,492.62	10.07	634,813,041.83	69.71	275,807,450.79
Total	9,039,456,622.54	100.00	2,943,741,185.22	32.57	6,095,715,437.32

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

7. Other receivables (continued)

Other receivables which were subject to individual provision for bad debts were as follows:

	30 June 2024				31 December 2023	
	Balance of carrying amount	Provision for bad debts	Proportion of provision (%)	Reasons for provision	Balance of carrying amount	Provision for bad debts
Unit 7	872,028,796.00	53,559,066.00	6.14	Probably partial uncollectible	1,191,181,320.00	11,911,813.20
Unit 8	747,867,364.72	11,299,365.37	1.51	Probably partial uncollectible	1,129,936,537.31	11,299,365.37
Unit 9	473,092,569.69	16,835,095.93	3.56	Probably partial uncollectible	465,832,376.58	16,835,095.93
Unit 10	441,664,957.20	4,416,649.57	1.00	Probably partial uncollectible	441,664,957.20	4,414,079.49
Unit 11	224,800,000.00	224,800,000.00	100.00	Probably all uncollectible	224,800,000.00	224,800,000.00
Other customers	6,990,013,573.96	2,137,999,085.59	30.59	Probably partial uncollectible	4,675,420,938.83	2,039,667,789.40
Total	<u>9,749,467,261.57</u>	<u>2,448,909,262.46</u>	<u>25.12</u>		<u>8,128,836,129.92</u>	<u>2,308,928,143.39</u>

As at 30 June 2024, other receivables which are subject to provision for bad debts by group were as follows:

	Balance of carrying amount	Provision for bad debts	Proportion of provision (%)
Credit risk group	<u>1,042,577,146.85</u>	<u>613,155,667.49</u>	<u>58.81</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

7. Other receivables (continued)

The movements in provision for bad debts of other receivables based on 12-month expected credit loss and lifetime expected credit loss are as follows:

January to June 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 period	(2,130,727.95)	(39,935,677.14)	42,066,405.09	–
Provision for the period	2,525,246.24	35,183,330.43	29,394,237.66	67,102,814.33
Reversal for the period	–	(3,001,839.90)	(38,533,956.27)	(41,535,796.17)
Write-off for the period	–	–	(251,956.88)	(251,956.88)
Transfer out upon disposal of subsidiaries	–	–	(92,290.38)	(92,290.38)
Other changes	(115,119.35)	3,365,352.96	89,850,740.22	93,100,973.83
Closing balance	<u>3,657,509.34</u>	<u>487,443,471.21</u>	<u>2,570,963,949.40</u>	<u>3,062,064,929.95</u>

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>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

7. Other receivables (continued)

The movements in provision for bad debts of other receivables are as follows:

	Balance at the beginning of the period/year	Provision for the period/year	Recovery or reversal for the period/year	Write-off for the period/year	Transfer out upon disposal of subsidiaries	Other changes	Balance at the end of the period/ year
January to June 2024	<u>2,943,741,185.22</u>	<u>67,102,814.33</u>	<u>(41,535,796.17)</u>	<u>(251,956.88)</u>	<u>(92,290.38)</u>	<u>93,100,973.83</u>	<u>3,062,064,929.95</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 30 June 2024, provision for bad debts for the period amounted to RMB67,102,814.33 (31 December 2023: RMB68,263,035.47), and provision for bad debts reversed amounted to RMB41,535,796.17 (31 December 2023: RMB95,742,162.10). The actual amount of other receivables written off was RMB251,956.88 (31 December 2023: RMB16,752,837.61). Other changes were mainly due to the provision for bad debts of other receivables due from certain subsidiaries of the Group upon handing over such subsidiaries to the administrator due to the bankruptcy liquidation for the period.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

7. Other receivables (continued)

As at 30 June 2024, the top five of other receivables were as follows:

	Closing balance	Proportion in total balance of other receivables (%)	Nature	Aging	Closing balance of provision for bad debts
First	1,280,000,000.00	11.82	Other current account	Within 1 year	-
Second	872,028,796.00	8.05	Other current account Disbursements	2-5 years, over 5 years Within 1 year, 1-2	53,559,066.00
Third	747,867,364.72	6.90	previously made	years	11,299,365.37
Fourth	734,131,259.00	6.78	Other current account Current account with	Within 1 year	-
Fifth	473,092,569.69	4.37	other entities	0-5 years	16,835,095.93
Total	<u>4,107,119,989.41</u>	<u>37.92</u>			<u>81,693,527.30</u>

As set out in Note IV. 2 Tax concessions, certain companies of the Group enjoy the policy of immediate refund of VAT levied. The management expects that the refunds of VAT will be fully recovered in 2024.

30 June 2024

	Grant item	Amount	Aging	Expected time of receipt, amount and basis
Local tax authorities	Refunds of VAT	<u>25,567,527.59</u>	Within 1 year	2024

31 December 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	2023

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Inventories

	30 June 2024		
	Balance of carrying amount	Provision for decline in value/impairment	Carrying value
Raw materials	2,025,293,418.37	20,317,325.92	2,004,976,092.45
Items in production	1,089,498,435.92	8,446,969.91	1,081,051,466.01
Finished goods	6,540,234,428.00	199,298,320.85	6,340,936,107.15
Turnover materials	8,280,381.76	–	8,280,381.76
Development costs	43,826,437,728.47	1,282,883,750.06	42,543,553,978.41
Products under development	39,171,990,680.47	1,137,305,816.65	38,034,684,863.82
Contract performance cost	165,577,195.22	–	165,577,195.22
Total	92,827,312,268.21	2,648,252,183.39	90,179,060,084.82

	31 December 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 period is RMB1,096,917,449.41. The carrying value at the end of the period is presented in inventory based on liquidity.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Inventories (continued)

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

30 June 2024

	Balance at the beginning of the period	Provision for the period	Decrease during the period			Balance at the end of the period
			Reversal	Write-off	Other decrease	
Raw materials	60,875,495.89	-	-	40,509,527.20	48,642.77	20,317,325.92
Items in production	74,118,103.18	-	-	65,671,133.27	-	8,446,969.91
Finished goods	185,909,471.68	87,882,054.08	2,221,711.02	72,271,493.89	-	199,298,320.85
Development costs	1,260,325,393.30	112,755,622.54	-	-	90,197,265.78*	1,282,883,750.06
Products under development	1,116,631,333.01	112,999,987.87	-	182,522,770.01	(90,197,265.78)*	1,137,305,816.65
Total	2,697,859,797.06	313,637,664.49	2,221,711.02	360,974,924.37	48,642.77	2,648,252,183.39

31 December 2023

	Opening balance	Provision for the year	Decrease during the year			closing balance
			Reversal	Write-off	Other decrease	
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 is transferred from the development costs to the products under development.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Inventories (continued)

As at 30 June 2024, the balance of development costs included the capitalised borrowing costs of RMB3,828,312,851.85 (31 December 2023: RMB3,697,276,085.88). The capitalised borrowing costs amounted to RMB640,205,838.76 in aggregate for the period from January to June 2024 (2023: RMB1,485,169,228.41), and the rate of interest capitalisation was 3.54% (2023: 3.41%). Details of pledge of inventories are set out in Note V. 26.

The following sets out the breakdown of costs of property development:

Project name	Time of commencement	Estimated completion time of the next phase	Aggregate investment	30 June 2024	31 December 2023
Shanghai – BBMG Bund East Bank	December 2020	September 2024	9,427,226,410.40	8,747,837,212.41	8,633,179,015.19
Tianjin – Konggang Yunzhu	March 2018	December 2024	7,516,038,353.37	5,468,550,820.47	5,466,657,389.53
Beijing – Wangjing Yunshang	December 2022	April 2025	5,136,000,000.00	3,961,887,684.71	3,643,445,465.45
Suzhou – Olympic Sports Center Plot 04	February 2024	November 2025	4,260,000,000.00	3,085,512,392.24	2,896,580,000.00
Chongqing – Xinduhui Project	November 2020	December 2027	15,600,000,000.00	3,039,223,787.93	2,974,859,433.21
Tangshan – Mining & Metallurgical A	May 2022	September 2024	4,242,230,000.00	2,354,536,888.06	2,277,085,952.35
Shanghai – Taopu Project	August 2024	September 2026	3,312,085,057.00	2,198,126,375.35	2,277,000,000.00
Qingdao – Jinyu Jimo	December 2018	October 2024	2,806,070,560.56	2,188,551,224.65	2,403,545,026.65
Hefei – Shanhu Yunzhu	April 2022	November 2024	2,541,250,000.00	2,177,866,650.61	2,086,907,943.89
Tangshan – Qixin Project	April 2014	December 2024	4,090,794,500.52	1,786,267,179.41	1,705,712,225.19
Changzhou – Zhonglou Project	December 2021	August 2024	2,768,660,000.00	1,677,837,310.24	2,501,319,649.76
Beijing – Linoleum Factory Project	September 2022	November 2024	3,600,000,000.00	1,649,589,637.27	1,255,693,641.28
Tianjin – Jinyu Jinchun	December 2020	June 2025	1,550,000,000.00	1,477,579,681.01	3,480,977,016.80
Tianjin – Jinzhong River Project	April 2019	December 2025	2,439,430,000.00	1,115,791,495.97	1,008,063,228.43
Tangshan – Qixin Plot C03 Project	March 2025	May 2027	957,010,000.00	423,905,056.31	405,982,939.45
Beijing – Shangchengjun Project	May 2015	December 2024	540,460,000.00	417,173,145.45	361,073,698.83
Beijing – Kanghuiyuan	March 2019	December 2024	828,000,000.00	405,657,336.37	405,455,791.46
Ningbo – Eastern New City Project	June 2021	July 2024	256,080,000.00	246,081,253.90	242,234,903.43
Others				121,578,846.05	6,054,828,220.79
Total				42,543,553,978.41	50,080,601,541.69

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Inventories (continued)

The following sets out the breakdown of properties under development:

Project name	Completion date of the latest phase	Opening balance	Increase during the period	Decrease during the period	Closing balance
Beijing – Incubator Technology Park	June 2023	5,429,112,987.99	1,984,695.86	–	5,431,097,683.85
Beijing – Kuntai Yunzhu	June 2024	3,532,455,832.76	1,099,817,102.61	–	4,632,272,935.37
Tianjin – Jinzunyuan	June 2024	2,246,897,847.72	2,270,936,435.39	748,273,377.23	3,769,560,905.88
Tianjin – Treasures Mansion	June 2021	3,156,978,342.05	14,193,813.16	388,250,953.73	2,782,921,201.48
Beijing – Jinlinjiayuan	December 2022	2,542,993,365.75	–	36,934,478.84	2,506,058,886.91
Chongqing – Nanshanjun	June 2024	1,691,818,866.99	85,043,727.25	89,306,230.06	1,687,556,364.18
Chengdu – Gaoxin Zhonghe Project	December 2022	1,789,057,552.04	–	114,977,111.71	1,674,080,440.33
Ningbo – Jinjunfu	June 2024	2,063,417,609.97	16,125,674.29	583,995,779.28	1,495,547,504.98
Beijing – Shangchengjun	December 2021	1,130,192,567.95	532,443.05	79,329,982.55	1,051,395,028.45
Chongqing – Xinduhui	December 2023	990,601,328.45	–	14,189,214.93	976,412,113.52
Chongqing – Times Metro	December 2023	870,604,012.19	–	981,131.02	869,622,881.17
Qingdao – Treasures Mansion	January 2024	640,903,448.98	274,381,021.04	79,307,270.88	835,977,199.14
Tangshan – Jin'an hongbao	June 2022	941,652,808.65	848,485.95	155,581,744.99	786,919,549.61
Beijing – Wangjing Star	December 2023	509,011,084.86	–	6,597,766.34	502,413,318.52
Hefei – Jincheng Mansions	September 2023	498,700,197.78	–	1,579,687.43	497,120,510.35
Nanjing – Zijingdieyuan	May 2023	748,381,666.67	–	257,244,752.29	491,136,914.38
Shanghai – Jiading Juyuan	March 2019	477,408,870.50	303,021.90	1,439,034.82	476,272,857.58
Tianjin – Yingshun Building	May 2022	471,653,531.92	–	28,873,900.41	442,779,631.51
Beijing – Changxindian Project	December 2020	442,683,634.22	–	–	442,683,634.22
Tianjin – Airport Economic Zone	November 2022	398,395,624.76	–	–	398,395,624.76
Ningbo – Gaoxin District Project	March 2021	376,828,522.07	31,092.17	161,034.44	376,698,579.80
Chengdu – Shangchengjun Project	August 2021	538,508,719.25	–	171,873,744.76	366,634,974.49
Ningbo – Kanjiang Times	June 2019	350,024,978.31	–	1,315,233.68	348,709,744.63
Hefei – Baohe Project	March 2024	194,216,081.91	179,724,414.18	43,220,939.52	330,719,556.57
Beijing – Fengqi Home	November 2023	352,906,213.54	–	43,238,322.68	309,667,890.86
Chengdu – Shangxifu	June 2022	360,014,045.75	–	95,058,960.30	264,955,085.45
Beijing – Chaoyang New City	December 2020	393,726,460.84	–	149,782,237.26	243,944,223.58
Changzhou – Zhonglou Tianzhu	June 2024	–	839,423,223.88	598,701,859.03	240,721,364.85
Hefei – Nanqi Garden	November 2020	210,034,665.22	–	4,965,219.51	205,069,445.71
Haikou – Yangguangjun	June 2022	211,738,573.91	601,490.85	12,444,686.35	199,895,378.41
Tangshan – Caofeidian E-02-2	February 2022	206,477,700.01	–	23,081,837.29	183,395,862.72
Tangshan – Qixin 1889#	November 2020	183,964,095.96	–	2,260,245.93	181,703,850.03
Chengde – Chengde Project	December 2020	187,549,228.15	–	9,398,176.48	178,151,051.67
Beijing – Jin'gang Jiayuan	December 2020	178,725,192.04	–	1,011,357.66	177,713,834.38
Tangshan – Rongda Business Building	June 2024	–	176,629,278.27	–	176,629,278.27
Tangshan – Treasures Mansion	June 2022	208,417,415.03	–	35,983,195.55	172,434,219.48
Hangzhou – Metro Forest	November 2020	170,406,069.19	–	918,730.97	169,487,338.22
Chengdu – Dachengjun	December 2014	155,372,596.51	–	665,161.78	154,707,434.73
Others		2,249,165,157.20	4,909,335,382.90	5,155,279,976.32	2,003,220,563.78
Total		37,100,996,897.09	9,869,911,302.75	8,936,223,336.02	38,034,684,863.82

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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.

	30 June 2024			31 December 2023		
	Balance of carrying amount	Provision for impairment	Carrying value	Balance of carrying amount	Provision for impairment	Carrying value
Engineering construction (third-party)	282,640,444.02	13,297,927.20	269,342,516.82	241,181,075.11	13,003,490.98	228,177,584.13
Others	7,427,849.49	-	7,427,849.49	7,427,849.49	-	7,427,849.49
Total	290,068,293.51	13,297,927.20	276,770,366.31	248,608,924.60	13,003,490.98	235,605,433.62

30 June 2024

	Balance of carrying amount		Provision for impairment		Carrying value
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for impairment by credit risk characteristics group	290,068,293.51	100.00	13,297,927.20	4.58	276,770,366.31

31 December 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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

9. Contract assets (continued)

As at 30 June 2024, provision for impairment of contract assets by group is as follows:

	Balance of carrying amount	Provision for impairment	Proportion of provision (%)
Credit risk characteristics group	<u>290,068,293.51</u>	<u>13,297,927.20</u>	<u>4.58</u>

The movements in the provisions for impairment of contract assets are as follows:

	Balance at the beginning of the period/year	Provision for the period/year	Reversal for the period/year	Balance at the end of the period/year
January to June 2024	<u>13,003,490.98</u>	<u>2,978,272.40</u>	<u>(2,683,836.18)</u>	<u>13,297,927.20</u>
2023	<u>9,654,787.26</u>	<u>6,278,936.19</u>	<u>(2,930,232.47)</u>	<u>13,003,490.98</u>

10. Non-current assets due within one year

	30 June 2024	31 December 2023
Debt investment due within one year	<u>417,220,025.43</u>	257,812,627.12
Long-term receivables due within one year	<u>887,110,616.99</u>	<u>438,518,191.44</u>
Total	<u>1,304,330,642.42</u>	<u>696,330,818.56</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

11. Other current assets

	30 June 2024	31 December 2023
Prepaid enterprise income tax	536,017,690.43	713,972,684.48
Prepaid value-added tax	1,404,730,472.07	1,523,828,862.07
Prepaid other tax	551,183,052.53	578,081,232.39
Input tax deductible	4,287,052,079.97	4,301,369,985.61
Input tax certifiable	382,641,927.06	325,222,381.43
Cost of obtaining a contract	135,886,393.66	165,644,175.20
Others	1,380,281,964.06	1,123,050,156.19
Total	<u>8,677,793,579.78</u>	<u>8,731,169,477.37</u>

12. Debt investments

	30 June 2024	31 December 2023
20 China Cinda Bonds 01BC	404,903,901.99	399,799,528.09
19 Great Wall Bonds 02BC (Type II)	419,888,915.96	417,673,389.20
24 Guangfa Bank CD132	294,682,894.21	–
Beijing Trust Run Sheng Wealth No. 430 (北京信託潤昇財富430號)	110,244,714.73	110,222,254.31
Dewei Property 2023 State-owned Enterprise Capital Support Plan	50,119,278.94	50,105,122.65
Beijing Trust Fengshi Rongxin No. 12 B003	–	145,640,843.99
	<u>1,279,839,705.83</u>	1,123,441,138.24
Less: Debt investment due within one year	<u>417,220,025.43</u>	<u>257,812,627.12</u>
Total	<u>862,619,680.40</u>	<u>865,628,511.12</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

13. Long-term receivables

	30 June 2024			31 December 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	264,412,585.54	8,657,142.46	255,755,443.08	355,314,428.28	19,150,498.68	336,163,929.60	5.00%
Loans to related parties	130,584,862.59	-	130,584,862.59	536,778,174.59	3,656,749.13	533,121,425.46	2.89%-11.75%
Finance lease payment	789,303,545.19	-	789,303,545.19	836,339,176.19	-	836,339,176.19	4.00%-7.86%
Others	309,195,917.09	305,040,850.42	4,155,066.67	310,095,917.09	305,940,850.42	4,155,066.67	
Total	1,493,496,910.41	313,697,992.88	1,179,798,917.53	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% for the period.

Loans to related parties, mainly referred to 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 2024.

The finance lease business of the Group calculates the discount rate based on the internal rate of return, and the discount rate ranges from 4% to 7.86%.

The movements in provision for bad debts of long-term receivables measured based on the lifetime expected credit loss are as follows:

	30 June 2024	31 December 2023
Balance at the beginning of the period/year	328,748,098.23	489,232,042.32
Provision for the period/year	13,793.74	6,572,111.19
Reversal for the period/year	(11,407,149.96)	(14,056,055.28)
Other decrease	(3,656,749.13)	(153,000,000.00)
Balance at the end of the period/year	313,697,992.88	328,748,098.23

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

14. Long-term equity investments

January to June 2024

	Movements during the period									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 period
Joint ventures											
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	481,407,391.90	-	-	21,382,901.80	-	-	(50,000,000.00)	-	452,790,293.70	-	452,790,293.70
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	350,822,215.87	-	-	16,369,875.23	-	-	(48,110,000.00)	-	319,082,091.10	-	319,082,091.10
Cross Point Trading 274 (Pty) Ltd (RF)	239,808,682.30	-	-	(9,039,864.19)	828,863.40	-	-	-	231,597,681.51	-	231,597,681.51
BBMG Vanke Property Development Co., Ltd.	188,866,113.67	-	-	-	-	-	-	-	188,866,113.67	-	188,866,113.67
Anshan Jidong Cement Co., Ltd.	154,821,824.48	-	-	(8,289,921.04)	-	-	-	-	146,531,903.44	-	146,531,903.44
Tangshan CaoFeidian Dunshi New Building Material Co., Ltd.	114,478,652.55	-	-	(7,991,962.82)	-	-	-	-	106,486,689.73	-	106,486,689.73
Dahongmen (Beijing) Construction Development Co., Ltd.	86,582,234.81	-	-	(4,978,939.21)	-	-	-	-	81,603,295.60	-	81,603,295.60
STAR-USG Building Materials Co., Ltd.	59,211,761.01	-	-	2,641,383.01	-	-	-	-	61,853,144.02	-	61,853,144.02
Hebei Xiongan Zhitong Technology Co., Ltd.	17,456,905.33	-	-	(2,749,159.39)	-	-	(2,070,000.00)	-	12,637,745.94	-	12,637,745.94
BBMG TUS Technology Incubator Co., Ltd.	5,337,587.18	-	(5,337,587.18)	-	-	-	-	-	-	-	-
Sub-total	1,698,793,389.10	-	(5,337,587.18)	7,344,313.39	828,863.40	-	(100,180,000.00)	-	1,601,448,958.71	-	1,601,448,958.71

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

14. Long-term equity investments (continued)

January to June 2024 (continued)

	Movements during the period										
	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 period	Closing net value
Associates											
Beijing Cheryu Real Estate Development Co., Ltd.	2,284,614,954.49	-	-	(3,996,870.20)	-	-	-	-	2,280,618,084.29	-	2,280,618,084.29
Easyhome New Retail Group Corporation Limited	2,231,987,335.85	-	-	62,640,293.84	-	-	(38,981,187.27)	-	2,255,646,442.42	-	2,255,646,442.42
Beijing Jinzhu Xingye Real Estate Development Co., Ltd.	721,064,266.42	-	-	(2,673,973.80)	-	-	-	-	718,390,292.62	-	718,390,292.62
Beijing Yichang Real Estate Co., Ltd. (北京怡豐置業有限公司)	630,284,720.99	-	-	(1,490,552.72)	-	-	-	-	628,794,168.27	-	628,794,168.27
Nanjing Huayu Real Estate Development Co., Ltd. (南京華隅房地產開發有限公司)	463,994,483.70	-	-	64,912,733.83	-	-	-	-	528,907,217.53	-	528,907,217.53
Beijing Innovation Industry Investment Co., Ltd.	242,482,051.74	-	-	8,799,065.36	-	-	-	-	251,281,117.10	-	251,281,117.10
Toto Machinery (Beijing) Company Limited	155,462,071.65	-	-	(1,061,461.66)	-	-	(3,200,000.00)	-	151,200,609.99	-	151,200,609.99
Tianjin Yaopi Glass Co., Ltd.	153,924,605.85	-	-	1,232,257.91	-	-	-	-	155,156,863.76	-	155,156,863.76
Jilin Changjitu Investment Co., Ltd.	122,896,105.13	-	-	(1,315,590.68)	-	-	-	-	121,580,514.45	-	121,580,514.45
Tangshan Conch Profiles Co., Ltd.	113,101,987.41	-	-	(2,466,774.64)	-	-	-	-	110,635,212.77	-	110,635,212.77

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

14. Long-term equity investments (continued)

January to June 2024 (continued)

	Movements during the period								Closing balance	Provision for impairment at the end of the period	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			
Associates (continued)											
Beijing Jinhai Cheng Technology Innovation Investment Partnership LLP (北京金海誠科創投資合夥企業(有限合夥))	94,214,847.88	-	(2,735,235.72)	(1,805,682.02)	-	-	-	-	89,673,930.14	-	89,673,930.14
OCV Reinforcements (Beijing) Co., Ltd.	85,515,082.93	-	-	802,246.96	-	-	-	-	86,317,329.89	-	86,317,329.89
Zehnder (China) Indoor Climate Co., Ltd.	72,746,124.96	-	-	(66,911.99)	-	-	-	-	72,679,212.97	-	72,679,212.97
Tianjin Shengxiang Plastic Pipes Industry Co., Ltd.	31,940,000.00	-	-	-	-	-	-	-	31,940,000.00	(31,940,000.00)	-
Beijing Zhongtai Jinjian Real Estate Development Co., Ltd. (北京中泰金建房地產開發有限公司)	27,423,880.77	-	-	-	-	-	-	-	27,423,880.77	-	27,423,880.77
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	24,559,474.54	-	-	-	-	-	-	-	24,559,474.54	-	24,559,474.54
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	19,141,121.02	-	-	-	-	-	-	-	19,141,121.02	-	19,141,121.02
Beijing Sinobaide Technology Co., Ltd.	17,789,640.90	-	-	551,507.55	-	-	(598,000.00)	-	17,743,148.45	-	17,743,148.45
Hebei Jiadotou Green Building Materials Co., Ltd. (河北交投綠色建材有限公司)	11,512,599.80	-	-	(339,052.10)	-	-	-	-	11,173,547.70	-	11,173,547.70

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

14. Long-term equity investments (continued)

January to June 2024 (continued)

	Movements during the period										
	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 period	Closing net value
Associates (continued)											
Tianjin Shubulok Cement Block Co., Ltd.	8,244,156.30	-	-	-	-	-	-	-	8,244,156.30	(8,244,156.30)	-
Jidong Cement Fufeng Transportation Co., Ltd.	6,330,721.04	-	-	381,735.86	-	-	(1,068,750.00)	-	5,643,706.90	-	5,643,706.90
Beijing Jingxi Ecological Cultural Tourism Investment Co., Ltd. (北京京西生態文旅投資有限公司)	6,054,594.98	-	-	(565,223.93)	-	-	-	-	5,489,371.05	-	5,489,371.05
Zhongfang Huarui (Tangshan) Real Estate Co., Ltd.	4,981,823.43	-	-	-	-	-	-	-	4,981,823.43	(4,981,823.43)	-
Liaoning Yunding Cement Group Co., Ltd.	3,183,451.20	-	-	(2,166,162.01)	-	-	-	-	1,017,289.19	-	1,017,289.19
Nanjing Huayu Decoration Engineering Co., Ltd. (南京華宇裝飾工程有限公司)	1,030,352.90	-	-	6,892,249.20	-	-	-	-	7,922,602.10	-	7,922,602.10
Beijing Jinhai Cheng Management Consulting Partnership LLP (北京金海誠管理諮詢合夥企業(有限合夥))	586,173.36	-	-	0.35	-	-	-	-	586,173.71	-	586,173.71
Sub-total	7,535,066,629.24	-	(2,735,235.72)	128,263,835.11	-	-	(43,847,937.27)	-	7,616,747,291.36	(45,165,979.73)	7,571,581,311.63
Total	9,233,859,998.34	-	(8,072,822.90)	135,608,148.50	828,863.40	-	(144,027,937.27)	-	9,218,196,250.07	(45,165,979.73)	9,173,030,270.34

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

14. Long-term equity investments (continued)

2023

	Movements during the year								Closing balance	Provision for impairment at the end of 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			
Joint ventures											
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	562,770,229.05	-	-	46,102,504.24	-	34,658.61	(127,500,000.00)	-	481,407,391.90	-	481,407,391.90
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	409,074,351.74	-	-	45,185,614.91	-	(1,250.78)	(103,436,500.00)	-	350,822,215.87	-	350,822,215.87
Cross Point Trading 274 (Pty) Ltd (RF)	231,222,642.14	-	-	38,402,595.24	(24,988,181.30)	-	(4,828,373.78)	-	239,808,682.30	-	239,808,682.30
Anshan Jidong Cement Co., Ltd.	208,728,929.17	-	-	(53,907,104.69)	-	-	-	-	154,821,824.48	-	154,821,824.48
Beijing Jinyu Vanke Real Estate Development Co., Ltd. (北京金隅萬科房地產開發有限公司)	190,399,564.70	-	-	(1,533,451.03)	-	-	-	-	188,866,113.67	-	188,866,113.67
Tangshan CaoFeidian Dunshi New Building Material Co., Ltd.	134,933,998.90	-	-	(10,455,346.35)	-	-	(10,000,000.00)	-	114,478,652.55	-	114,478,652.55
Dahongmen (Beijing) Construction Development Co., Ltd.	59,086,555.04	-	-	27,495,679.77	-	-	-	-	86,582,234.81	-	86,582,234.81
STAR-USG Building Materials Co., Ltd.	55,488,456.01	-	-	3,723,305.00	-	-	-	-	59,211,761.01	-	59,211,761.01
Hebei Xiongan Zhitong Technology Co., Ltd.	16,102,196.67	-	-	2,166,941.73	-	-	(812,233.07)	-	17,456,905.33	-	17,456,905.33
BBMG TUS Technology Incubator Co., Ltd.	5,276,029.14	-	-	61,558.04	-	-	-	-	5,337,587.18	-	5,337,587.18
Sub-total	1,873,082,952.56	-	-	97,242,296.86	(24,988,181.30)	33,407.83	(246,577,106.85)	-	1,698,793,369.10	-	1,698,793,369.10

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

14. Long-term equity investments (continued)

2023 (continued)

	Movements during the year										
	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	Closing net value
Associates											
Beijing Cheryu 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 Jinzhu Xingye Real Estate Development Co., Ltd. (北京金住興業房地產開發有限公司)	734,424,064.30	-	-	(13,359,797.88)	-	-	-	-	721,064,266.42	-	721,064,266.42
Beijing Yichang Real Estate Co., Ltd. (北京怡暢置業有限公司)	634,645,431.01	-	-	(4,360,710.02)	-	-	-	-	630,284,720.99	-	630,284,720.99
Beijing Zhongtai Jinjian Real Estate Development Co., Ltd. (北京中泰金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
Nanjing Huayu Real Estate Development Co., Ltd. (南京華宇房地產開發有限公司)	485,988,293.59	-	-	(21,993,809.89)	-	-	-	-	463,994,483.70	-	463,994,483.70
Beijing Innovation Industry Investment Co., Ltd.	223,392,243.05	-	-	19,089,808.69	-	-	-	-	242,482,051.74	-	242,482,051.74
Tianjin Yaopi Glass Co., Ltd.	172,664,122.30	-	-	(18,739,516.45)	-	-	-	-	153,924,605.85	-	153,924,605.85
Toto Machinery (Beijing) Company Limited	148,692,869.74	-	-	6,769,201.91	-	-	-	-	155,462,071.65	-	155,462,071.65
Jilin Changjitu Investment Co., Ltd.	125,339,906.13	-	-	(2,443,801.00)	-	-	-	-	122,896,105.13	-	122,896,105.13
Tangshan Conch Profiles Co., Ltd.	113,609,667.49	-	-	(507,680.08)	-	-	-	-	113,101,987.41	-	113,101,987.41

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

14. Long-term equity investments (continued)

2023 (continued)

	Movements during the year										
	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	Closing net value
Associates (continued)											
OCV Reinforcements (Beijing) Co., Ltd.	83,682,042.86	-	-	1,833,040.07	-	-	-	-	85,515,082.93	-	85,515,082.93
Zehnder (China) Indoor Climate Co., Ltd.	74,369,782.95	-	-	(1,623,657.99)	-	-	-	-	72,746,124.96	-	72,746,124.96
Beijing Jimhaicheng Technology Innovation Investment Partnership LLP (北京金海誠科創投資合夥企業(有限合夥))	64,490,349.13	30,000,000.00	-	(256,431.98)	-	-	(19,069.27)	-	94,214,847.88	-	94,214,847.88
Tianjin Shengxiang Plastic Pipes Industry Co., Ltd.	31,940,000.00	-	-	-	-	-	-	-	31,940,000.00	(31,940,000.00)	-
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	26,668,964.19	-	-	(7,527,843.17)	-	-	-	-	19,141,121.02	-	19,141,121.02
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 Sinobaide Technology Co., Ltd.	18,113,163.83	-	-	(323,522.93)	-	-	-	-	17,789,640.90	-	17,789,640.90
Hebei Jiaotou Green Building Materials Co., Ltd. (河北交投綠色建材有限公司)	12,000,000.00	-	-	(487,400.20)	-	-	-	-	11,512,599.80	-	11,512,599.80
Tianjin Shubulok Cement Block Co., Ltd.	8,244,156.30	-	-	-	-	-	-	-	8,244,156.30	(8,244,156.30)	-
Beijing Jingxi Ecological Cultural Tourism Investment Co., Ltd. (北京京西生態文旅投資有限公司)	7,628,293.90	-	-	(1,573,698.92)	-	-	-	-	6,054,594.98	-	6,054,594.98

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

14. Long-term equity investments (continued)

2023 (continued)

	Movements during the year										
	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	Closing net value
Associates (continued)											
Jidong Cement Fufeng Transportation Co., Ltd.	5,687,472.11	-	-	643,093.09	-	155.84	-	-	6,330,721.04	-	6,330,721.04
Zhongfang Huarui (Tangshan) Real Estate Co., Ltd.	4,981,823.43	-	-	-	-	-	-	(4,981,823.43)	4,981,823.43	(4,981,823.43)	-
Liaoning Yunding Cement Group Co., Ltd.	1,053,403.68	-	-	2,130,047.52	-	-	-	-	3,183,451.20	-	3,183,451.20
Nanjing Huayu Decoration Engineering Co., Ltd. (南京坤隅装饰工程有限公司)	1,015,439.48	-	-	14,913.42	-	-	-	-	1,030,352.90	-	1,030,352.90
Beijing Youth Camp Jinyu Fengshan Education Technology Co., Ltd.	744,232.37	-	(744,232.37)	-	-	-	-	-	-	-	-
Beijing Jinhai Cheng Management Consulting Partnership LLP (北京金海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
Easyhome New Retail Group Corporation Limited	-	2,231,987,335.85	-	-	-	-	-	-	2,231,987,335.85	-	2,231,987,335.85
Sub-total	5,903,779,387.09	2,262,167,335.85	(578,744,232.37)	(52,116,947.90)	-	155.84	(19,069.27)	(4,981,823.43)	7,535,066,629.24	(45,165,979.73)	7,489,900,649.51
Total	7,776,862,339.65	2,262,167,335.85	(578,744,232.37)	45,125,348.96	(24,988,181.30)	33,563.67	(246,596,176.12)	(4,981,823.43)	9,233,859,998.34	(45,165,979.73)	9,188,694,018.61

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

14. Long-term equity investments (continued)

Impairment provision for long-term equity investments is as follows:

January to June 2024

	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the end of the period
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	45,165,979.73	–	–	45,165,979.73

2023

	Balance at the beginning of the year	Increase during the year	Decrease during the year	Balance at the end of the year
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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

15. Investment in other equity instruments

	30 June 2024		31 December 2023		
Investments in shares of listed companies	292,210,012.60		458,948,024.76		
Other equity investments in non-listed companies	191,337,900.07		190,457,572.12		
Total	483,547,912.67		649,405,596.88		
	Gains included in other comprehensive income for the period	Losses included in other comprehensive income for the period	Gains accumulated in other comprehensive income	Losses accumulated in other comprehensive income	Dividend income for the period
					Reason for designating as FVTOCI
Investments in shares of listed companies	-	(166,738,012.16)	-	(657,991,814.10)	- 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	532,927.95	-	1,672,679.90	(66,100,898.31)	277,041.51 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	532,927.95	(166,738,012.16)	1,672,679.90	(724,092,712.41)	277,041.51

16. Other non-current financial assets

	30 June 2024	31 December 2023
Financial assets at fair value through profit or loss	475,285,501.63	369,093,598.93

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

17. Investment properties

Fair value model is applied to investment properties of the Group for subsequent measurement:

January to June 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 period	23,373,880.59	305,932,688.18	329,306,568.77
Transfer from inventories/fixed assets/ construction in progress	303,945,985.69	–	303,945,985.69
Business combinations not under common control	5,256,666.12	–	5,256,666.12
Disposal or retirement	(105,866,927.66)	–	(105,866,927.66)
Others	(2,499,294.26)	–	(2,499,294.26)
Changes in fair value	<u>249,070,631.72</u>	<u>–</u>	<u>249,070,631.72</u>
Closing balance	<u>41,158,987,986.11</u>	<u>3,291,480,021.94</u>	<u>44,450,468,008.05</u>

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	<u>1,070,554,842.76</u>	<u>–</u>	<u>1,070,554,842.76</u>
Closing balance	<u>40,685,707,043.91</u>	<u>2,985,547,333.76</u>	<u>43,671,254,377.67</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

17. Investment properties (continued)

The following sets out the breakdown of investment properties:

Name of investment properties	Planned or actual use	Fair value	Fair value
		30 June 2024	31 December 2023
Beijing – Phase 1 of Global Trade Center	Office, commercial and parking space	3,916,303,560.48	3,846,822,783.20
Beijing – Phase 2 of Global Trade Center	Office, commercial and parking space	4,489,871,882.18	4,399,228,005.78
Beijing – Phase 3 of Global Trade Center	Office, commercial and parking space	1,432,000,000.00	1,422,000,000.00
Beijing – Tengda Plaza	Office, commercial and parking space	2,034,000,000.00	2,007,800,000.00
Beijing – Jin Yu Mansion	Office, commercial and parking space	1,597,000,000.00	1,550,000,000.00
Beijing – Dacheng Building	Office, commercial and parking space	1,482,600,000.00	1,478,600,000.00
Beijing – Jianda Building	Office, commercial and parking space	655,000,000.00	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	2,427,683,600.00	2,427,683,600.00
Beijing – Pangu Plaza Building	Office, commercial and parking space	6,441,000,000.00	6,414,600,000.00
Beijing – Phase 1 of BBMG High-Tech Industrial Park	Office, commercial and parking space	1,036,835,403.85	1,035,478,035.64
Beijing – Phase 2 of BBMG High-Tech Industrial Park	Office, commercial and parking space	800,388,696.84	800,068,696.84
Others	Office, commercial, parking space and apartment	17,667,784,864.70	17,156,773,256.21
Total		44,450,468,008.05	43,671,254,377.67

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

17. Investment properties (continued)

All the above investment properties are located in the PRC and held under operating commercial leases.

The investment properties were valued by an independent valuer with professional qualifications, using future earnings method and market-based approach on an open market and existing use basis.

Details of pledge of investment properties are set out in Note V. 26.

As at 30 June 2024, the completed investment properties without completing their procedures for the title certificates were as follows:

	Carrying value	Reasons for uncompleting the procedures for the title certificates
Tianjin Building Materials in Circum-Bohai Sea Golden Coast	832,856,236.00	In the process of handling the procedures for changing the relevant titles

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

18. Fixed assets

30 June 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	19,594,247.68	97,649,886.10	60,644,893.11	32,370,724.35	210,259,751.24
Transfer from construction in progress	346,555,247.46	798,152,088.68	2,091,876.45	25,787,577.44	1,172,586,790.03
Acquisition of subsidiaries	957,899,731.65	314,448,706.32	5,407,673.65	5,227,520.86	1,282,983,632.48
Disposal or retirement	(131,124,195.51)	(166,233,020.18)	(104,933,781.96)	(18,728,951.41)	(421,019,949.06)
Disposal of subsidiaries	(2,471,162.93)	(5,702,206.70)	(650,000.00)	(402,220.71)	(9,225,590.34)
Others	(37,286,441.24)	(2,559,180.11)	156,442.60	(826,866.15)	(40,516,044.90)
Closing balance	<u>39,035,512,802.40</u>	<u>35,714,557,623.79</u>	<u>460,092,209.74</u>	<u>1,250,935,733.28</u>	<u>76,461,098,369.21</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	738,236,963.73	1,217,074,908.71	62,448,113.80	69,988,662.05	2,087,748,648.29
Disposal or retirement	(74,080,544.26)	(137,758,267.32)	(86,913,227.54)	(15,083,201.11)	(313,835,240.23)
Disposal of subsidiaries	(1,076,611.32)	(4,305,273.13)	(357,982.51)	(320,656.40)	(6,060,523.36)
Others	(2,885,230.53)	(1,787,353.58)	391,250.20	962,858.90	(3,318,475.01)
Closing balance	<u>12,026,931,810.89</u>	<u>18,221,614,869.69</u>	<u>181,114,839.03</u>	<u>752,230,863.46</u>	<u>31,181,892,383.07</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
Disposal or retirement	(2,341,211.20)	-	-	-	(2,341,211.20)
Disposal of subsidiaries	(1,394,551.61)	(1,396,933.57)	(292,017.50)	(77,006.22)	(3,160,508.90)
Others	(443,172.71)	-	-	-	(443,172.71)
Closing balance	<u>416,066,823.71</u>	<u>337,579,918.58</u>	<u>7,167,956.82</u>	<u>1,624,799.30</u>	<u>762,439,498.41</u>
Carrying value					
At the end of the period	<u>26,592,514,167.80</u>	<u>17,155,362,835.52</u>	<u>271,809,413.89</u>	<u>497,080,070.52</u>	<u>44,516,766,487.73</u>
At the beginning of the period	<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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

18. Fixed assets (continued)

31 December 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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

18. Fixed assets (continued)

Fixed assets that are temporarily idle are as follows:

January to June 2024

	Original price	Accumulated depreciation	Provision for impairment	Carrying value
Buildings	119,815,958.87	70,477,480.47	1,394,551.61	47,943,926.79
Machinery and equipment	133,119,047.21	100,514,229.03	21,828,900.68	10,775,917.50
Transportation equipment	8,489,462.12	3,081,970.49	5,340,457.80	67,033.83
Office and other equipment	5,822,664.00	5,362,698.19	193,721.90	266,243.91
Total	<u>267,247,132.20</u>	<u>179,436,378.18</u>	<u>28,757,631.99</u>	<u>59,053,122.03</u>

2023

	Original price	Accumulated depreciation	Provision for impairment	Carrying value
Buildings	124,551,146.34	71,833,627.95	1,394,551.61	51,322,966.78
Machinery and equipment	135,663,213.68	102,761,186.73	21,828,900.68	11,073,126.27
Transportation equipment	23,826,372.64	17,601,401.21	5,340,457.80	884,513.63
Office and other equipment	5,822,664.00	5,362,698.19	193,721.90	266,243.91
Total	<u>289,863,396.66</u>	<u>197,558,914.08</u>	<u>28,757,631.99</u>	<u>63,546,850.59</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

18. Fixed assets (continued)

Fixed assets leased under operating leases are as follows:

January to June 2024

	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>348,936,895.99</u>	<u>12,070,316.67</u>	<u>326,588.00</u>	<u>361,333,800.66</u>
Accumulated depreciation				
Opening balance	166,839,318.43	5,834,222.05	310,258.60	172,983,799.08
Closing balance	<u>189,117,271.36</u>	<u>6,009,242.83</u>	<u>310,258.60</u>	<u>195,436,772.79</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 period	<u>133,585,580.75</u>	<u>1,555,526.85</u>	<u>16,329.40</u>	<u>135,157,437.00</u>
At the beginning of the period	<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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

18. Fixed assets (continued)

2023

	Buildings	Machinery and equipment	Transportation equipment	Total
Original price				
Opening balance	341,801,852.49	12,070,316.67	326,588.00	354,198,757.16
Closing balance	<u>345,369,374.24</u>	<u>12,070,316.67</u>	<u>326,588.00</u>	<u>357,766,278.91</u>
Accumulated depreciation				
Opening balance	144,258,134.34	5,659,201.27	310,258.60	150,227,594.21
Closing balance	<u>166,839,318.43</u>	<u>5,834,222.05</u>	<u>310,258.60</u>	<u>172,983,799.08</u>
Provision for impairment				
Opening balance	7,185,051.99	4,505,546.99	–	11,690,598.98
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>152,296,011.93</u>	<u>1,730,547.63</u>	<u>16,329.40</u>	<u>154,042,888.96</u>
At the beginning of the year	<u>190,358,666.16</u>	<u>1,905,568.41</u>	<u>16,329.40</u>	<u>192,280,563.97</u>

As at 30 June 2024, the carrying amount for fixed assets without completing the procedures for the title certificates amounted to RMB1,251,735,359.25 (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.

Details of pledge of fixed assets are set out in Note V. 26.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

18. Fixed assets (continued)

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, as well as on the land assets attributable to the property development and operation segment.

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
Tianjin Stone Mine Co., Ltd. (Note 1)	386,879,809.35	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)	1,023,845,669.02	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)	243,752,510.36	1,180,279,569.80	-	Comparable selling price	Land acquisition and storage unit price	Comparable land acquisition and storage prices in the vicinity
Total	<u>1,654,477,988.73</u>	<u>3,074,612,736.65</u>	<u>-</u>			

Note 1: The carrying value of Tianjin Stone Mine Co., Ltd. includes carrying value of fixed assets of RMB2,629,300.52 and carrying value of intangible assets of RMB384,250,508.83.

Note 2: The carrying value of Tianjin Cement Stone Mine Co., Ltd. includes carrying value of fixed assets of RMB11,162,468.25 and carrying value of intangible assets of RMB1,012,683,200.77.

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 RMB242,342,389.64.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

18. 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.	170,743,101.92	170,743,101.92	-	5	Revenue growth rate, discount rate	Discount rate	Weighted average cost of assets
Jinyu Thermal Processing Tangshan Co., Ltd. (Note 1)	615,130,071.05	668,120,637.87	-	36	Revenue growth rate, discount rate	Discount rate	Weighted average cost of assets
Tangshan Jidong Development Machinery and Equipment Manufacturing Co., Ltd. (Note 2)	833,856,336.24	978,773,257.34	-	36	Revenue growth rate, discount rate	Discount rate	Weighted average cost of assets
Total	<u>1,619,729,509.21</u>	<u>1,817,636,997.13</u>	<u>-</u>				

Note 1: The carrying value of Jinyu Thermal Processing Tangshan Co., Ltd. includes carrying value of fixed assets of RMB528,315,741.86, carrying value of construction in progress of RMB16,257,112.76 and carrying value of intangible assets of RMB70,557,216.43.

Note 2: The carrying value of Tangshan Jidong Development Machinery and Equipment Manufacturing Co., Ltd. includes carrying value of fixed assets of RMB773,066,178.45, carrying value of intangible assets of RMB59,885,256.36, carrying value of construction in progress of RMB853,976.92 and carrying value of long-term deferred expenditures of RMB50,924.51.

19. Construction in progress

	30 June 2024	31 December 2023
Construction in progress	2,276,122,639.15	2,569,722,847.95
Construction materials	18,158,972.01	<u>35,272,366.27</u>
Total	<u>2,294,281,611.16</u>	<u>2,604,995,214.22</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

19. Construction in progress (continued)

	30 June 2024			31 December 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	109,936,817.07	–	109,936,817.07	109,936,817.07	–	109,936,817.07
Datong Cement						
– Self-owned special railway line restoration project of Datong Company	19,664,224.60	–	19,664,224.60	–	–	–
– 5.53MW photovoltaic power station project of Datong Company	17,283,975.74	–	17,283,975.74	–	–	–
Beijing Jinyu Aerated Concrete						
– Construction project of plants in Glass Cultural and Creative Industrial Park	100,446,394.60	–	100,446,394.60	100,446,394.60	–	100,446,394.60
– Glass Cultural and Creative Industrial Park renovation project	61,507,375.25	–	61,507,375.25	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
Tangshan Jidong Cement						
– Grate cooler energy-saving renovation project of line A in Plant 2	16,997,709.84	–	16,997,709.84	–	–	–
– Grate cooler energy-saving renovation project of line B in Plant 2	17,000,146.13	–	17,000,146.13	–	–	–
– SCR denitration technology renovation project of line A in plant 2 of Tangshan Branch	18,201,277.19	–	18,201,277.19	–	–	–
– SCR denitration technology renovation project of line B in plant 2 of Tangshan Branch	18,235,014.95	–	18,235,014.95	–	–	–
– SCR denitration technology renovation project of line C in plant 2 of Tangshan Branch	18,857,955.61	–	18,857,955.61	–	–	–
– Financial shared services center construction project	25,163,509.76	–	25,163,509.76	–	–	–
BBMG Weiguan (Cangzhou) Chemical						
– Equipment modification and installation in BBMG Weiguan (Cangzhou) Chemical	77,008,574.80	–	77,008,574.80	73,043,756.55	–	73,043,756.55
– Kiln tail flue gas SCR denitration project of Laishui Environmental Protection Company	19,066,595.83	–	19,066,595.83	–	–	–

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

19. Construction in progress (continued)

	30 June 2024			31 December 2023		
	Balance of carrying amount	Provision for impairment	Carrying value	Balance of carrying amount	Provision for impairment	Carrying value
Jidong Cement Panshi						
– 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
– 8.27MW photovoltaic power generation project of Panshi Company (CPS)	20,343,105.21	-	20,343,105.21	-	-	-
Tianjin BBMG Concrete						
– New office building	23,650,000.00	-	23,650,000.00	23,650,000.00	-	23,650,000.00
Shannxi Jinyu aerated assembly parts						
– Shannxi Jinyu aerated infrastructure project	121,463,659.22	-	121,463,659.22	120,666,947.92	-	120,666,947.92
Jilin BBMG Jidong Environmental Protection Technology						
– Qincaigou cement limestone mine construction project	43,997,715.77	-	43,997,715.77	-	-	-
– Calorific value solid waste disposal project	18,299,027.17	-	18,299,027.17	-	-	-
BBMG Beishui Environmental Protection Technology						
– Carbon dioxide capture, storage and resource utilization and resources	137,062,457.73	-	137,062,457.73	103,448,398.66	-	103,448,398.66
Tangshan Jidong Cement Sanyou						
– 2# clinker production line ultra-low emission environmental upgrade project	20,959,070.05	-	20,959,070.05	-	-	-
Chengde Chengjin Environmental Protection Technology						
– Project for an annual production of 1 million tons of vanadium powder production line of Chengde Chengjin Environmental Protection Technology Co., Ltd.	89,989,246.01	-	89,989,246.01	76,560,009.24	-	76,560,009.24
Hunan Hangjia						
– Production base with an annual output of 800,000 cubic meters of aerated concrete panels and prefabricated building components	131,467,918.93	-	131,467,918.93	-	-	-
Fujian Hangjia						
– Project for an annual production of 800,000 cubic meters of aerated concrete panels and blocks	55,497,102.36	-	55,497,102.36	-	-	-
Inner Mongolia Jidong Cement						
– Aggregate manufactured sand production line project	20,733,375.18	-	20,733,375.18	-	-	-

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

19. Construction in progress (continued)

	30 June 2024			31 December 2023		
	Balance of carrying amount	Provision for impairment	Carrying value	Balance of carrying amount	Provision for impairment	Carrying value
Chengde BBMG Cement						
– Clinker production line high-temperature, high-dust SCR ultra-low emission technology upgrading project	18,484,629.47	-	18,484,629.47	-	-	-
Pingquan Jidong Cement						
– First mining area infrastructure project	19,333,800.22	-	19,333,800.22	-	-	-
Jidong Cement (Yantai)						
– Utilization of cement kilns for co-processing general solid waste project	15,321,065.02	-	15,321,065.02	-	-	-
Zuoquan BBMG Cement						
– Kiln tail flue gas SCR ultra-low emission project	16,886,762.19	-	16,886,762.19	-	-	-
Huilai Jinyuan Mining						
– Mine safety governance and work and production resumption project	22,913,268.51	-	22,913,268.51	-	-	-
BBMG Energy Saving Technology (Tianjin)						
– New alkylol amine and modern green materials industrialization project	16,146,863.12	-	16,146,863.12	-	-	-
Hebei BBMG Dingxin Cement						
– 2024 Dingxin Third Branch SCR ultra-low emission renovation project	16,920,665.87	-	16,920,665.87	-	-	-
Handan BBMG Taihang Cement						
– XM-2021-01 2*4500 t/d cement kiln co-processing solid waste production line relocation project	19,191,864.92	-	19,191,864.92	-	-	-
Tiantan Decoration Engineering						
– Store decoration and renovation	50,445,208.02	-	50,445,208.02	-	-	-
Sichuan Hangjia Hanyu Building Energy-Saving New Materials						
– Line B production line	24,928,629.07	-	24,928,629.07	-	-	-
Jidong Development Group						
– Nanhui Yingbinguan	64,378,932.25	64,378,932.25	-	64,378,932.25	64,378,932.25	-
Construction materials	21,486,445.79	3,327,473.78	18,158,972.01	38,722,878.34	3,450,512.07	35,272,366.27
Others	884,548,733.94	65,267,748.88	819,280,985.06	1,873,723,995.94	65,291,491.80	1,808,432,504.14
Total	2,427,255,766.07	132,974,154.91	2,294,281,611.16	2,738,116,150.34	133,120,936.12	2,604,995,214.22

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

19. Construction in progress (continued)

Changes of major construction in progress from January to June 2024 are as below:

	Budget (RMB'000)	Opening balance	Increase during the period	Transferred to fixed assets during the period	Other decrease	Closing balance	Source of funding	Percentage of project investment in budget (%)
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								
– Caofeidian New Wind Power Project	1,861,000.00	109,936,817.07	–	–	–	109,936,817.07	Self-financing	100
Chengde Chengjin Environmental Protection Technology								
– Project for an annual production of 1 million tons of vanadium powder production line of Chengde Chengjin Environmental Protection Technology Co., Ltd.	128,280.00	76,560,009.24	13,429,236.77	–	–	89,989,246.01	Capital injection and loans	70
BBMG Beishui Environmental Protection Technology								
– Carbon dioxide capture, storage and utilization and resources	183,330.00	103,448,398.66	33,614,059.07	–	–	137,062,457.73	Self-financing	74
Shanxi Jinyu aerated assembly parts								
– Shanxi Jinyu aerated infrastructure project	390,370.00	120,666,947.92	796,711.30	–	–	121,463,659.22	Self-financing	99
Fujian Hangjia								
– Project for an annual production of 800,000 cubic meters of aerated concrete panels and blocks	236,298.97	–	56,212,686.10	–	715,583.74	55,497,102.36	Self-financing	53
Hunan Hangjia Building Energy-Saving New Materials Co., Ltd. (湖南杭加建筑节能新材料有限公司)								
– Production base with an annual output of 800,000 cubic meters of aerated concrete panels and prefabricated building components	216,432.22	–	131,467,918.93	–	–	131,467,918.93	Self-financing	68

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

19. Construction in progress (continued)

Changes of major construction in progress in 2023 are as below:

	Budget (RMB'000)	Opening balance	Increase during the year	Transferred to fixed assets during 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								
– 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 tons 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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

19. 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:

January to June 2024

	Progress of works (%)	Accumulated amount of capitalized interest	Including: capitalized interest for the period	Capitalization rate of interest for the period (%)
Chengde Chengjin Environmental Protection Technology Co., Ltd. – Project for an annual production of 1 million tons of vanadium powder production line of Chengde Chengjin Environmental Protection Technology Co., Ltd.	70.00	775,741.89	775,741.89	3.65
Huilai Jinyuan Mining Co., Ltd. (懷來金源礦業有限公司) – Mine safety governance and work and production resumption project	65.00	561,955.53	227,247.21	0.66
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	–	1.89
Others	–	3,844,087.70	369,833.33	–
Total		<u>13,419,410.65</u>	<u>1,372,822.43</u>	

Note: The amount of capitalized interests included in construction in progress for the period was RMB1,372,822.43 (2023: RMB38,298,205.92), and RMB16,297,771.39 (2023: RMB1,701,266.17) had been transferred to fixed assets.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

19. Construction in progress (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.				
– 4500t/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	

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

19. Construction in progress (continued)

Provision for impairment of construction in progress for January to June 2024:

	Opening balance	Increase during the period	Decrease during the period	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	28,893,452.21	–	–	28,893,452.21
Others	27,938,322.10	–	23,742.92	27,914,579.18
Provision for impairment of construction in progress	129,670,424.05	–	23,742.92	129,646,681.13
Provision for impairment of construction materials	3,450,512.07	–	123,038.29	3,327,473.78
Total	133,120,936.12	–	146,781.21	132,974,154.91

Provision for impairment of construction in progress for 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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

20. Right-of-use assets

30 June 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	1,524,248.83	182,896,402.46	-	-	-	184,420,651.29
Disposal	-	(93,510,125.57)	-	-	-	(93,510,125.57)
Closing balance	<u>797,254,128.48</u>	<u>865,567,470.28</u>	<u>29,620,871.21</u>	<u>977,286.90</u>	<u>21,211,535.40</u>	<u>1,714,631,292.27</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	30,361,025.96	58,265,486.51	2,331,282.00	178,903.31	19,500.00	91,156,197.78
Disposal	-	(14,145,603.60)	-	-	-	(14,145,603.60)
Closing balance	<u>221,135,977.96</u>	<u>475,991,026.41</u>	<u>15,891,059.43</u>	<u>925,842.22</u>	<u>8,949,813.54</u>	<u>722,893,719.56</u>
Provision for impairment						
Opening balance	464,557.00	-	-	-	-	464,557.00
Provision	-	86,311.14	-	-	-	86,311.14
Closing balance	<u>464,557.00</u>	<u>86,311.14</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>550,868.14</u>
Carrying value						
At the end of the period	<u>575,653,593.52</u>	<u>389,490,132.73</u>	<u>13,729,811.78</u>	<u>51,444.68</u>	<u>12,261,721.86</u>	<u>991,186,704.57</u>
At the beginning of the period	<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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

20. Right-of-use assets (continued)

31 December 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>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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

21. Intangible assets

30 June 2024

	Land use rights	Software use rights	Mining rights	Trademark rights	Others	Total
Original price						
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	35,682,079.82	24,243,355.04	914,742.00	2,031,887.65	24,221,837.67	87,093,902.18
Business combinations not under common control	389,522,453.83	616,654.34	1,925,839.47	2,647,459.46	-	394,712,407.10
Disposal	(47,427,879.75)	(1,265,809.58)	(206,796.22)	(10,747,898.72)	-	(59,648,384.27)
Closing balance	<u>15,674,712,163.76</u>	<u>674,541,189.81</u>	<u>4,419,619,789.35</u>	<u>78,260,927.15</u>	<u>313,868,135.12</u>	<u>21,161,002,205.19</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	172,969,294.14	44,153,969.27	47,359,163.56	2,666,360.12	7,039,982.36	274,188,769.45
Disposal	(10,772,243.23)	(141,655.49)	(804,964.66)	(10,747,898.72)	-	(22,466,762.10)
Closing balance	<u>2,952,025,603.15</u>	<u>390,013,549.48</u>	<u>1,154,956,982.45</u>	<u>6,780,414.28</u>	<u>143,878,629.28</u>	<u>4,647,655,178.64</u>
Provision for impairment						
Opening balance	32,074,445.75	-	130,098,195.50	5,000,000.00	5,717,504.26	172,890,145.51
Provision	389,701.94	10,436.88	-	-	-	400,138.82
Closing balance	<u>32,464,147.69</u>	<u>10,436.88</u>	<u>130,098,195.50</u>	<u>5,000,000.00</u>	<u>5,717,504.26</u>	<u>173,290,284.33</u>
Carrying value						
At the end of the period	<u>12,690,222,412.92</u>	<u>284,517,203.45</u>	<u>3,134,564,611.40</u>	<u>66,480,512.87</u>	<u>164,272,001.58</u>	<u>16,340,056,742.22</u>
At the beginning of the period	<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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

21. Intangible assets (continued)

31 December 2023

	Land use rights	Software use rights	Mining rights	Trademark rights	Others	Total
Original price						
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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

21. 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:

	30 June 2024	31 December 2023
Less than 50 years	<u>12,690,222,412.92</u>	<u>12,475,032,511.87</u>

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 parameters for the stable period	Determination basis for key parameters during the stable period
Tangshan Jinyu Tiancai Pipe Technology Co., Ltd.	828,905.76	859,337.12	-	5	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 30 June 2024, the useful life of trademark rights with a carrying amount of RMB66,480,512.87 (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 30 June 2024, the carrying value of intangible assets of the Group pending completion of the procedures for title certificates amounted to RMB329,086,629.68 (31 December 2023: RMB287,400,281.49). The management of the Company is of the view that there would not be any material adverse impact on the business operation of the Group from the aforementioned incomplete procedures for the title certificates.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

22. Goodwill

30 June 2024

	Opening balance	Increase during the period Business combinations not under common control	Decrease during the period Disposal group/disposal allocated to held for sale	Closing balance
Hebei BBMG Dingxin Cement Co., Ltd.	189,815,999.91	-	-	189,815,999.91
Gongyi Tongda Zhongyuan Refractory Technology Co., Ltd.	3,967,009.95	-	-	3,967,009.95
Handan BBMG Taihang Cement Co., Ltd.	26,884,752.28	-	-	26,884,752.28
Baoding Taihang Heyi Cement Co., Ltd.	11,428,946.82	-	-	11,428,946.82
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.	56,276,121.38	-	-	56,276,121.38
Jidong Cement Business	2,013,854,242.93	-	-	2,013,854,242.93
Jidong Equipment Business	477,549,380.23	-	-	477,549,380.23
Baogang Jidong Cement Co., Ltd.	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)	-	82,836,560.04	-	82,836,560.04
BBMG TUS Technology Incubator Co., Ltd.	-	274,410.60	-	274,410.60
	2,888,102,175.50	83,110,970.64	-	2,971,213,146.14
Less: Provision for impairment of goodwill	359,757,523.95	17,000,000.00	-	376,757,523.95
Total	2,528,344,651.55	66,110,970.64	-	2,594,455,622.19

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

22. Goodwill (continued)

31 December 2023

	Opening balance	Increase during the year Business combinations not under common control	Decrease during the year Disposal group/disposal allocated to held for sale	Closing balance
Hebei BBMG Dingxin Cement Co., Ltd.	189,815,999.91	–	–	189,815,999.91
Gongyi Tongda Zhongyuan Refractory Technology Co., Ltd.	3,967,009.95	–	–	3,967,009.95
Handan BBMG Taihang Cement Co., Ltd.	26,884,752.28	–	–	26,884,752.28
Baoding Taihang Heyi Cement Co., Ltd.	11,428,946.82	–	–	11,428,946.82
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.	56,276,121.38	–	–	56,276,121.38
Jidong Cement Business	2,013,854,242.93	–	–	2,013,854,242.93
Jidong Equipment Business	477,549,380.23	–	–	477,549,380.23
Baogang Jidong Cement Co., Ltd.	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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

22. Goodwill (continued)

Movements in provision for impairment of goodwill are as follows:

January to June 2024

	Opening balance	Increase during the period Provision	Decrease during the period	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. (浙江金隅杭加綠建科技有限公司) in April 2024, resulting in goodwill of RMB82,836,560.04. The calculation process is detailed in Note VI. 1.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

22. Goodwill (continued)

Information related to the asset group or set of asset groups where goodwill is located is as follows:

	Composition and basis of the asset group or set of asset groups to which goodwill belongs	Operating segment and its basis	Whether consistent with previous years
Jidong Equipment Business Asset Group	Main component is 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 set of asset groups.	For internal management purposes, the set of asset groups 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 are enjoyed by the entire Cement Business, and it is difficult to allocate them to each asset group. Therefore, goodwill is allocated to the set of asset groups.	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 set of asset groups.	For internal management purposes, the asset group is attributed to the green building materials segment.	New acquisitions during the period
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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

22. Goodwill (continued)

The recoverable amount is determined as 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 Equipment Business	1,360,362,741.39	1,365,160,000.00	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 period; the total number of shares is the number of shares obtained from a public website at the end of the period; and the disposal costs are the commissions, stamp duties, transfer fees, and other fees associated with stock trading

The recoverable amount is determined based on the present value of estimated future cash flows:

	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	48,220,474,794.96	56,901,232,136.62	–	5 years	Revenue growth rate of 1%-2%, profit margin of 8%-11%, discount rate of 9.6%	Revenue growth rate of 2%, profit margin of 11%, discount rate of 9.6%	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.	1,876,688,086.58	4,204,271,912.25	–	5 years	Revenue growth rate of 3%-6%, profit margin of 14%-18%, discount rate of 9.6%	Revenue growth rate of 2%, profit margin of 16%, discount rate of 9.6%	The revenue growth rate is 2% during the stable period, and the profit margin and discount rate are consistent with the last period
Total	50,097,162,881.54	61,105,504,048.87	–				

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

22. Goodwill (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 30 June 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%-10% (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

30 June 2024

	Opening balance	Increase in business combinations not under common control	Increase during the period	Amortisation during the period	Other decrease	Closing balance
Decoration	120,456,957.12	2,922,042.68	30,336,042.32	22,376,110.08	665,791.88	130,673,140.16
Leasehold improvement for fixed assets rented	20,519,782.83	-	1,211,059.65	2,729,271.32	124,247.40	18,877,323.76
Land lease prepayments and compensation for land acquisition	329,480,476.30	-	33,640,104.19	24,857,423.51	132,309.72	338,130,847.26
Cost of stripping mines	788,977,667.36	-	19,610,875.72	58,664,971.83	45,729.33	749,877,841.92
Others	590,319,260.98	3,306,415.55	141,997,190.04	75,423,034.54	3,435,328.38	656,764,503.65
Total	1,849,754,144.59	6,228,458.23	226,795,271.92	184,050,811.28	4,403,406.71	1,894,323,656.75

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

23. Long-term deferred expenditures (continued)

31 December 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	<u>1,763,529,449.55</u>	<u>509,531,739.00</u>	<u>410,980,413.40</u>	<u>12,326,630.56</u>	<u>1,849,754,144.59</u>

24. Deferred income tax assets/liabilities

Deferred income tax assets and deferred income tax liabilities not eliminated:

	30 June 2024		31 December 2023	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Deferred income tax assets				
Provision for LAT	489,878,704.68	122,469,676.17	1,503,650,174.60	375,912,543.65
Deductible losses	7,356,479,585.32	1,839,119,896.33	6,409,463,305.68	1,602,365,826.42
Provision for impairment of assets	1,961,975,601.88	490,493,900.47	1,993,490,758.52	498,372,689.63
Difference in accounting and tax of revenue recognition	134,356,598.00	33,589,149.50	6,190,595.84	1,547,648.96
Accrual of property development cost	1,319,507,958.68	329,876,989.67	1,476,842,982.24	369,210,745.56
Unrealised profits and losses of internal transactions	903,083,393.68	225,770,848.42	910,678,697.00	227,669,674.25
Changes in fair value of other equity instruments	710,569,751.16	177,642,437.79	543,831,739.08	135,957,934.77
Others	1,030,958,092.80	257,739,523.20	1,074,946,313.44	268,736,578.36
Total	<u>13,906,809,686.20</u>	<u>3,476,702,421.55</u>	<u>13,919,094,566.40</u>	<u>3,479,773,641.60</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

24. Deferred income tax assets/liabilities (continued)

	30 June 2024		31 December 2023	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Deferred income tax liabilities				
Valuation gains of investment properties	11,358,898,560.64	2,839,724,640.16	11,210,608,393.96	2,802,652,098.49
Assessment increase/decrease in business combination	12,436,885,330.48	3,109,221,332.62	12,419,888,116.20	3,104,972,029.05
Others	2,177,003,862.54	544,250,965.64	2,138,596,537.22	534,649,134.31
Total	25,972,787,753.66	6,493,196,938.42	25,769,093,047.38	6,442,273,261.85

Deductible losses and temporary differences of unrecognised deferred income tax assets are as follows:

	30 June 2024	31 December 2023
Deductible losses	21,815,021,007.54	20,753,166,126.29
Deductible temporary differences	9,388,429,214.99	9,321,979,894.88
Total	31,203,450,222.53	30,075,146,021.17

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

24. Deferred income tax assets/liabilities (continued)

The deductible losses that are not recognised as deferred income tax assets will expire in the following years:

	30 June 2024	31 December 2023
2024	3,337,479,418.66	3,464,335,328.90
2025	2,049,622,298.24	2,680,442,890.28
2026	3,259,736,467.73	3,604,208,325.60
2027	5,322,498,611.48	5,432,676,595.22
2028	5,499,194,636.00	5,571,502,986.29
2029	2,346,489,575.43	—
Total	21,815,021,007.54	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.

25. Other non-current assets

	30 June 2024	31 December 2023
Prepayment for projects, equipment and plants	136,008,008.90	151,635,570.02
Prepayment for lands	115,606,617.23	26,164,401.00
Prepayment for exploration rights	73,000,000.00	73,000,000.00
Other assets	120,966,070.24	209,593,631.34
Total	445,580,696.37	460,393,602.36

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

26. Assets with restricted titles or right to use

30 June 2024

	Balance of carrying amount	Carrying value	Restricted type	Restriction
Pledged assets				
Cash and bank balances	1,739,184,029.29	1,739,184,029.29	Guarantee	-
Statutory deposit reserve placement with central bank by finance company	1,183,523,081.01	1,183,523,081.01	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	21,549,991.13	21,549,991.13	Guarantee	-
Quality/performance deposits	357,302,813.22	357,302,813.22	Guarantee	-
Guarantee deposits for acceptance bills	93,804,004.38	93,804,004.38	Guarantee	-
Mortgage loan guarantee of real estate enterprise	83,004,139.55	83,004,139.55	Guarantee	-
Inventories	7,683,550,000.00	7,683,550,000.00	Mortgage	The Group obtained borrowings of RMB1,336,810,283.30 secured by inventories with a carrying amount of RMB7,683,550,000.00
Bills receivable	299,367,539.23	299,367,539.23	Discount	The Group obtained short-term borrowings of RMB299,367,539.23 by discounting bank acceptance bills with a carrying amount of RMB299,367,539.23
Receivables financing	4,000,000.00	4,000,000.00	Pledge	The Group pledged bank acceptance bills of RMB4,000,000.00 for invoicing
Construction in progress	50,756,207.00	50,756,207.00	Mortgage	The Group obtained borrowings of RMB50,756,207.00 secured by construction in progress with a carrying amount of RMB50,756,207.00
Fixed assets	482,182,121.01	482,182,121.01	Mortgage	The Group obtained borrowings of RMB539,970,000.00 secured by fixed assets with a carrying amount of RMB482,182,121.01
Investment properties	11,485,775,442.66	11,485,775,442.66	Mortgage	The Group obtained borrowings of RMB3,634,000,000.00 secured by investment properties with a carrying amount of RMB11,485,775,442.66
Equity interests	5,118,176,371.21	5,118,176,371.21	Pledge	The Group obtained borrowings of RMB1,000,000,000.00 pledged 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 RMB674,010,021.300 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	1,789,683,130.78	1,789,683,130.78	Project-specific	-
Others	71,454,394.60	71,454,394.60	Special purpose for mine reclamation, etc.	-
Total	30,730,449,235.78	30,730,449,235.78		

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

26. Assets with restricted titles or right to use (continued)

31 December 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 enterprise	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
Receivables financing	13,000,000.00	13,000,000.00	Pledge	The Group pledged bank acceptance bills of RMB13,000,000.00 for invoicing
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 assets	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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

27. Short-term loans

	30 June 2024	31 December 2023
Guaranteed loans (Note 1)	4,019,140,000.00	2,430,713,163.87
Credit loans	23,012,568,862.59	26,949,984,819.23
Mortgaged loans (Note 2)	130,000,000.00	–
Pledged loans (Note 2)	299,367,539.23	146,309,144.11
Total	27,461,076,401.82	29,527,007,127.21

Note 1: As at 30 June 2024 and 31 December 2023, the guaranteed loans were guaranteed by entities within the Group.

Note 2: As at 30 June 2024 and 31 December 2023, details and value of collaterals corresponding to pledged 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

	30 June 2024	31 December 2023
Commercial acceptance bills	1,875,321,892.96	92,968,347.39
Bank acceptance bills	2,411,127,401.10	3,742,321,802.87
Total	4,286,449,294.06	3,835,290,150.26

As at 30 June 2024, there were no due and outstanding bills payable (31 December 2023: Nil).

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

29. Accounts payable

	30 June 2024	31 December 2023
Within 1 year (inclusive of 1 year)	13,442,761,890.40	12,579,807,756.03
1 to 2 years (inclusive of 2 years)	2,917,294,102.38	3,611,932,583.23
2 to 3 years (inclusive of 3 years)	1,593,550,275.45	1,395,902,637.03
Over 3 years	<u>1,326,468,355.02</u>	<u>936,730,945.65</u>
Total	<u>19,280,074,623.25</u>	<u>18,524,373,921.94</u>

As at 30 June 2024, the Group's significant accounts payable aged over 1 year or overdue are as follows:

	Balance of accounts payable	Reasons for being outstanding or not carried forward
Unit 12	1,232,447,312.89	Unsettled
Unit 13	526,906,861.38	Unsettled
Unit 14	510,605,739.54	Unsettled
Unit 15	423,267,408.38	Unsettled
Unit 16	<u>191,766,879.12</u>	Unsettled
Total	<u>2,884,994,201.31</u>	

30. Receipts in advance

	30 June 2024	31 December 2023
Advances on rents	<u>342,588,243.02</u>	340,473,964.45

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

31. Contract liabilities

	30 June 2024	31 December 2023
Advances on pre-sale of properties	18,014,788,997.51	22,830,071,203.24
Advances on sale of goods	1,047,058,403.03	1,070,511,571.31
Advances on construction costs	75,391,760.96	104,820,670.51
Advances on property fees	156,056,620.26	255,465,405.04
Others	224,784,826.41	229,150,511.47
Total	19,518,080,608.17	24,490,019,361.57

As at 30 June 2024, the significant contract liabilities aged over one year are listed as below:

	Balance of contract liabilities	Reasons for being not carried forward
Advances on pre-sale of properties	15,122,526,053.08	Not completed, etc.
Advances on sale of goods	23,167,571.25	Supply of goods has not yet concluded, etc.
Advances on construction costs (settled but uncompleted projects)	2,690,843.42	Not yet completed, etc.
Others	51,835,497.59	Services have not yet been provided, etc.
Total	15,200,219,965.34	

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

31. Contract liabilities (continued)

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 (%)	30 June 2024	31 December 2023
Shanghai – Yangpu R-10 Plot	September 2024	98	8,655,039,474.07	8,272,660,547.09
Beijing – Shibalidian	December 2024	100	4,078,420,389.97	3,684,652,086.81
Hefei – Shanhu Yunzhu	February 2025	75	1,854,316,824.44	1,615,408,006.03
Beijing – Wangjing Yunshang	December 2025	55	1,192,622,526.86	937,257,988.55
Changzhou – Zhonglou Project	August 2024	30	479,310,745.03	730,586,022.42
Tianjin – Beichen Project	October 2024	23	429,300,995.02	512,986,620.41
Beijing – Chaoyang New City	December 2024	96	373,161,083.86	354,437,098.86
Chengdu – Shangchengjun Project	September 2024	74	120,887,772.27	45,640,266.31
Beijing – Kanghuiyuan	December 2024	88	84,208,585.74	21,357,825.13
Tangshan – Mining & Metallurgical	December 2025	47	80,977,929.00	–
Beijing – Shangchengjun	December 2024	91	75,016,939.49	63,410,600.77
Beijing – Wangchuan Beiyuan	December 2024	99	58,283,939.89	58,283,939.89
Others			533,241,791.87	6,533,390,200.97
Total			18,014,788,997.51	22,830,071,203.24

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

32. Wages payable

January to June 2024

	Opening balance	Business combinations not under common control		Increase during the period	Decrease during the period	Closing balance
Short-term remunerations	246,431,726.11	28,305,380.46		3,308,401,950.85	3,385,903,860.92	197,235,196.50
Post-employment benefits (defined contribution plan)	15,799,077.59	249,553.79		435,893,446.03	431,687,863.62	20,254,213.79
Termination benefits	15,639,331.21	–		31,580,298.02	34,091,641.40	13,127,987.83
Total	277,870,134.91	28,554,934.25		3,775,875,694.90	3,851,683,365.94	230,617,398.12

2023

	Opening balance			Closing balance
		Increase during the year	Decrease during the year	
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	541,223,371.35	7,075,272,107.44	7,338,625,343.88	277,870,134.91

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

32. Wages payable (continued)

Short-term remunerations are as below:

January to June 2024

	Opening balance	Business combinations not	Increase during the period	Decrease during the period	Closing balance
		under common control			
Salaries, bonuses, allowances and subsidies	149,213,562.78	27,993,210.58	2,455,857,506.68	2,527,155,036.37	105,909,243.67
Staff welfare	2,112,194.78	15,533.30	248,750,173.00	248,246,015.17	2,631,885.91
Social insurance	11,760,017.14	248,072.24	229,149,714.28	229,380,935.20	11,776,868.46
<i>Including: Medical insurance and maternity insurance</i>	<i>10,837,380.08</i>	<i>233,637.15</i>	<i>208,049,904.48</i>	<i>207,992,444.91</i>	<i>11,128,476.80</i>
<i>Work injury insurance</i>	<i>922,637.06</i>	<i>14,435.09</i>	<i>21,099,809.80</i>	<i>21,388,490.29</i>	<i>648,391.66</i>
Housing funds	24,124,281.32	-	254,577,745.16	257,541,475.23	21,160,551.25
Union fund and employee education fund	42,375,712.47	20,703.20	67,135,774.96	59,809,866.06	49,722,324.57
Other short-term remunerations	16,845,957.62	27,861.14	52,931,036.77	63,770,532.89	6,034,322.64
Total	246,431,726.11	28,305,380.46	3,308,401,950.85	3,385,903,860.92	197,235,196.50

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
<i>Including: Medical insurance and maternity insurance</i>	<i>18,852,825.06</i>	<i>413,801,209.82</i>	<i>421,816,654.80</i>	<i>10,837,380.08</i>
<i>Work injury insurance</i>	<i>2,327,412.97</i>	<i>44,038,684.13</i>	<i>45,443,460.04</i>	<i>922,637.06</i>
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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

32. Wages payable (continued)

Details of defined contribution plan are as follows:

January to June 2024

	Opening balance	Business combinations not under common control	Increase during the period	Decrease during the period	Closing balance
Basic pension	13,995,528.89	236,803.74	348,516,997.58	344,100,459.53	18,648,870.68
Unemployment insurance	702,092.00	12,750.05	12,682,231.48	12,713,823.18	683,250.35
Corporate annuity	1,101,456.70	-	74,694,216.97	74,873,580.91	922,092.76
Total	15,799,077.59	249,553.79	435,893,446.03	431,687,863.62	20,254,213.79

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 and employees made contributions based on 16% and 0.3%-1.0% (2023: 16% and 0.3%-1.0%) of the total wages in the previous year respectively. In addition, the Group also participated in the corporate annuity scheme operated and managed by a competent external management organization, to pay as certain percentage of annuity for eligible enterprises and employees.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

33. Tax payable

	30 June 2024	31 December 2023
VAT	303,829,143.29	197,819,313.79
Corporate income tax	398,247,493.09	485,346,298.36
Individual income tax	5,681,190.54	16,317,331.53
City maintenance and construction tax	20,437,422.43	18,454,689.77
Resource tax	41,422,579.35	30,607,466.91
Land appreciation tax	60,017,968.84	92,932,975.74
Education surcharges	15,367,777.62	11,605,669.35
Urban and rural land use tax	17,002,429.34	19,756,447.04
Real estate tax	35,816,141.44	35,908,745.76
Deed tax and others	75,992,470.97	64,618,698.21
	<u>973,814,616.91</u>	<u>973,367,636.46</u>
Total	973,814,616.91	973,367,636.46

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

34. Other payables

	30 June 2024	31 December 2023
Interests payable	933,963.89	45,330,789.42
Interests on borrowings	933,963.89	45,330,789.42
Including: Interests on long-term borrowings	39,130.85	24,245.11
Interests on short-term borrowings	894,833.04	45,306,544.31
Dividends payable	697,817,007.87	530,721,645.35
Other shareholders	347,888,498.70	78,115,175.93
Interest on perpetual bonds	349,928,509.17	452,606,469.42
Other payables	6,068,148,721.56	5,776,182,373.73
Amounts collected on behalf and temporary receipts	2,058,565,677.05	1,670,262,253.41
Deposits	1,541,472,609.19	1,483,534,517.20
Payables for land use right	67,410,976.83	67,566,979.24
Construction costs payable	126,366,652.14	117,624,106.82
Payables for relocation compensation	411,019,182.98	316,736,695.30
Freight and miscellaneous charges payable	95,862,213.20	70,319,557.91
Payables for acquisition of equity investments	23,944,243.68	247,141,915.31
Payables to related companies	813,435,468.98	816,504,384.77
Utilities	–	9,082,986.04
Public maintenance fund payable	47,538,431.17	43,919,439.37
Current portion of net liabilities of defined benefit plan (Note V. 41)	46,397,552.33	47,027,823.33
Others	836,135,714.01	886,461,715.03
Total	6,766,899,693.32	6,352,234,808.50

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

34. Other payables (continued)

As at 30 June 2024, significant other payables aged more than one year of the Group are as follows:

	Relationship with the Group	Amount payable	Percentage of total other payables (%)	Reasons for being outstanding
First	Third party	102,939,980.07	1.70	Unsettled
Second	Third party	74,794,869.73	1.23	Unsettled
Third	Third party	63,695,749.97	1.05	Unsettled
Fourth	Third party	56,915,228.47	0.94	Unsettled
Fifth	Third party	<u>45,190,000.00</u>	<u>0.74</u>	Unsettled

35. Non-current liabilities due within one year

	30 June 2024	31 December 2023
Long-term loans due within one year (Note V. 37)	8,298,523,516.76	8,312,977,230.35
Bonds payable due within one year (Note V. 38)	17,121,193,114.16	13,900,469,241.94
Lease liabilities due with one year (Note V. 39)	102,945,060.00	127,829,313.55
Long-term payables due within one year (Note V. 40)	98,586,356.80	59,898,246.12
Total	<u>25,621,248,047.72</u>	<u>22,401,174,031.96</u>

36. Other current liabilities

	30 June 2024	31 December 2023
Accrued expenses	2,225,277,388.00	3,523,729,434.19
Including: Accrued development costs	1,486,173,035.73	1,783,581,908.14
Provision for LAT	489,651,108.58	1,500,559,412.66
Accrued costs for treatment of solid wastes	508,933.71	3,968,844.33
Other accrued expenses	248,944,309.98	235,619,269.06
Tax to be written off	<u>1,195,942,870.24</u>	<u>1,340,880,087.86</u>
Total	<u>3,421,220,258.24</u>	<u>4,864,609,522.05</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

37. Long-term loans

	30 June 2024	31 December 2023
Guaranteed loans (Note 1)	8,160,895,883.57	5,784,009,894.74
Credit loans	43,765,257,707.88	32,673,200,637.85
Mortgaged loans (Note 2)	6,105,546,511.60	6,224,194,588.51
Pledged loans (Note 2)	<u>1,121,800,000.00</u>	<u>1,373,418,848.61</u>
	59,153,500,103.05	46,054,823,969.71
Less: Long-term loans due within one year	<u>8,298,523,516.76</u>	<u>8,312,977,230.35</u>
Total	<u>50,854,976,586.29</u>	<u>37,741,846,739.36</u>

Note 1: As at 30 June 2024 and 31 December 2023, the guaranteed loans of the Group were guaranteed by entities within the Group.

Note 2: As at 30 June 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.

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

	30 June 2024	31 December 2023
Within 1 year	8,298,523,516.76	8,312,977,230.35
1-2 years	18,177,764,076.92	11,324,838,500.00
2-5 years	23,621,800,918.82	21,035,479,691.52
Over 5 years	<u>9,055,411,590.55</u>	<u>5,381,528,547.84</u>
Total	<u>59,153,500,103.05</u>	<u>46,054,823,969.71</u>

As at 30 June 2024, the annual interest rates of the above loans were 1.20%-6.55% (31 December 2023: 1.20%-5.15%).

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

38. Short-term financing bonds payable and bonds payable

	30 June 2024	31 December 2023
Short-term financing bonds payable	—	6,018,292,602.73
Corporate bonds	16,354,723,869.82	16,344,899,403.93
Medium-term notes	9,684,147,016.39	8,655,330,297.12
Balance at the end of the period/year	26,038,870,886.21	25,000,229,701.05
Less: Bonds payable due within one year	17,121,193,114.16	13,900,469,241.94
Non-current portion	8,917,677,772.05	11,099,760,459.11

Analysis of maturity of bonds payable:

	30 June 2024	31 December 2023
Within 1 year (inclusive of 1 year)	17,121,193,114.16	13,900,469,241.94
1 to 2 years (inclusive of 2 years)	2,744,420,787.50	4,956,128,551.41
2 to 5 years (inclusive of 5 years)	2,673,256,984.55	6,143,631,907.70
Over 5 years	3,500,000,000.00	—
Total	26,038,870,886.21	25,000,229,701.05

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

38. Short-term financing bonds payable and bonds payable (continued)

As at 30 June 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 period	Interest charged at par value	Amortisation of discount/premium	Repayment during the period	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	-	310,181.37	31,210.35	-	(2,345,893.70)	84,547,636.40	No
3) 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
4) RMB2.5 billion medium-term notes	RMB2.5 billion	4.35	7 March 2019	5 years	2,500,000,000,000	2,387,893,895.62	-	20,856,164.38	-	(2,608,750,000.00)	-	-	No
5) RMB1.5 billion corporate bonds	RMB1.5 billion	2.94	28 October 2019	5 years	1,500,000,000,000	1,427,487,284.23	-	20,874,000.00	(53,527.50)	-	(1,448,307,756.73)	-	No
6) 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	-	39,507,945.20	-	-	(2,070,596,164.38)	-	No
7) 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	-	41,413,150.69	-	-	(2,052,049,315.07)	-	No
8) 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	-	89,529,041.09	1,164,343.41	(179,550,000.00)	(4,579,914,728.69)	-	No
8) RMB2.0 billion corporate bonds	RMB2.0 billion	3.00	15 June 2020	3+2 years	2,000,000,000,000	2,033,555,525.03	-	27,136,438.35	1,138,644.04	(60,000,000.00)	(2,001,830,607.42)	-	No
8) RMB1.5 billion corporate bonds	RMB1.5 billion	2.90	13 August 2020	3+2 years	879,000,000,000	887,051,068.61	-	10,215,665.75	1,084,444.75	-	(22,487,950.68)	875,862,228.43	No
9) RMB2.82 billion corporate bonds	RMB2.82 billion	1.20	5 November 2020	6 years	2,820,000,000,000	1,653,620,851.00	-	10,777,050.82	25,089,578.34	(1,000.00)	(14,414,598.59)	1,675,071,881.57	No
10) RMB1.0 billion corporate bonds	RMB1.0 billion	2.49	11 June 2021	5 years	1,000,000,000,000	1,019,707,365.72	-	16,920,541.65	147,740.80	(251,700,000.00)	(609,450.44)	784,466,217.73	No
10) RMB1.0 billion corporate bonds	RMB1.0 billion	3.57	13 October 2021	5 years	1,000,000,000,000	1,006,992,374.22	-	17,850,000.00	149,812.20	-	(1,024,992,186.42)	-	No
11) RMB2.0 billion corporate bonds	RMB2.0 billion	3.17	19 November 2021	3+2 years	2,000,000,000,000	2,002,784,016.07	-	31,613,150.68	699,285.80	-	(2,035,096,452.55)	-	No
12) RMB1.0 billion medium-term notes	RMB1.0 billion	2.93	31 May 2022	3 years	1,000,000,000,000	1,016,483,789.18	-	14,650,000.02	251,170.58	(293,300,000.00)	(1,002,084,959.78)	-	No
12) RMB1.0 billion medium-term notes	RMB1.0 billion	2.84	26 August 2022	3 years	1,000,000,000,000	1,009,228,288.76	-	14,200,000.02	249,932.22	-	(24,133,516.06)	999,544,704.94	No
13) RMB1.5 billion medium-term notes	RMB1.5 billion	2.87	4 February 2024	5+2 years	1,500,000,000,000	-	1,500,000,000,000	17,220,000.00	-	-	(17,220,000.00)	1,500,000,000,000	No
13) RMB2.0 billion medium-term notes	RMB2.0 billion	2.84	1 March 2024	5+2 years	2,000,000,000,000	-	2,000,000,000,000	18,518,356.16	-	-	(18,518,356.16)	2,000,000,000,000	No
14) RMB800 million corporate bonds	RMB800 million	2.53	26 April 2024	1+1+1	800,000,000,000	-	800,000,000,000	3,493,479.45	(1,511,170.84)	-	(801,982,308.61)	-	No
15) RMB1.0 billion corporate bonds	RMB1.0 billion	2.44	22 April 2024	3+2 years	1,000,000,000,000	-	998,000,000,000	4,608,888.88	185,102.98	-	(4,608,888.88)	998,185,102.98	No
					31,085,900,000,000	25,000,229,701.05	5,298,000,000,000	401,042,051.98	30,979,633.18	(4,691,380,500.00)	(17,121,193,114.16)	8,917,677,772.05	

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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

38. Short-term financing bonds payable and bonds payable (continued)

As at 30 June 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 period	Interest charged at par value	Amortisation of discount/premium	Repayment during the period	Reclassified to due within one year	Closing balance	Is there a breach of contract
Short-term financing bond:													
RMB2.0 billion ultra-short 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	-	(2,033,311,475.41)	-	-	No
RMB2.0 billion ultra-short 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	-	(2,024,355,737.70)	-	-	No
RMB2.0 billion ultra-short 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	-	(2,014,754,098.36)	-	-	No
					6,000,000,000.00	6,018,292,602.73	-	54,128,708.74	-	(6,072,421,311.47)	-	-	

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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	Other increase	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	-	33,459.18	(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	1,499,936,000.00	1,499,269,927.41	-	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	-	42,000,333.33	655,346.64	(1,414,100,000.00)	2,035,712.33	(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
3) 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	-	59,711,917.80	(1,558,011,237.80)	-	No
4) 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	-	-	87,893,835.62	(2,587,893,835.62)	-	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)	-	7,392,075.57	(1,427,487,284.23)	-	No
6) 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	-	-	31,088,219.18	(2,031,088,219.18)	-	No
7) 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	-	-	10,636,164.38	(2,010,636,164.38)	-	No
8) RMB4.5 billion corporate bonds	RMB4.5 billion	3.99	10 January 2020	5+2 years	4,500,000,000.00	4,491,406,100.31	-	179,550,000.00	2,240,504.15	-	175,122,739.73	(175,122,739.73)	4,493,648,604.46	No
8) RMB2.0 billion corporate bonds	RMB2.0 billion	3.00	15 June 2020	3+2 years	2,000,000,000.00	1,996,878,044.16	1,008,500,000.00	60,722,260.00	1,348,165.80	(1,008,500,000.00)	35,328,315.07	(65,328,315.07)	1,998,226,209.96	No
8) RMB1.5 billion corporate bonds	RMB1.5 billion	2.90	13 August 2020	3+2 years	1,500,000,000.00	1,497,135,950.33	2,400,000,000.00	43,400,600.00	(1,358,166.65)	(861,000,000.00)	12,272,284.93	(12,272,284.93)	874,777,783.68	No
9) RMB2.82 billion corporate bonds	RMB2.82 billion	1.20	5 November 2020	6 years	2,820,000,000.00	1,595,589,423.46	-	15,612,947.32	54,412,979.77	(13,100.00)	3,637,547.77	(3,637,547.77)	1,649,983,303.23	No
10) 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	-	20,388,888.79	(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	-	7,775,387.10	(1,006,992,374.22)	-	No
11) RMB2.0 billion corporate bonds	RMB2.0 billion	3.17	19 November 2021	3+2 years	2,000,000,000.00	2,001,476,839.62	-	63,400,000.00	(5,640,768.76)	-	6,947,945.21	(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	(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	(9,933,516.04)	999,294,772.72	No
					35,620,930,000.00	34,292,224,784.01	1,248,500,000.00	1,026,102,636.63	55,680,578.17	(11,083,543,100.00)	487,367,438.87	(13,900,469,241.94)	11,099,760,459.11	

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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	Other increase	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	-	7,336,986.30	-	(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	-	-	9,603,287.66	-	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	-	-	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	-	-	2,958,904.11	-	2,002,958,904.11	No
					18,000,000,000.00	5,000,000,000.00	13,000,000,000.00	149,344,520.53	-	(12,000,000,000.00)	18,292,602.73	-	6,018,292,602.73	

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

38. Short-term financing bonds payable and bonds payable (continued)

As at 30 June 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 19 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 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.
- 3) Pursuant to the document (Zheng Jian Xu Ke [2018] No. 884) (《證監許可[2018]884號》文件) issued by the China Securities Regulatory Commission, 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.
- 4) 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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

38. Short-term financing bonds payable and bonds payable (continued)

As at 30 June 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 amount was 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 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%.
- 7) 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%.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

38. Short-term financing bonds payable and bonds payable (continued)

As at 30 June 2024, the balance of bonds payable is as follows: (continued)

- 8) 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%, and paid the interest of "20 BBMG 02" of RMB179,550,000.00 for the period from 10 January 2023 to 9 January 2024 on 10 January 2024; 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 3.00%, and paid the interest of RMB60,000,000.00 for the period from 16 June 2023 to 15 June 2024 (hereinafter referred to as the "Year") on 17 June 2024; and the Company issued the third tranche of corporate bonds of BBMG Corporation for 2020 to qualified investors by way of public issuance on 13 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%. On 30 June 2023, the coupon rate was adjusted to 2.90%. 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, the bonds with an amount of RMB240,000,000.00 were resold and the remaining part not resold with the amount of RMB521,000,000.00 was cancelled.
- 9) 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 as 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).

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

38. Short-term financing bonds payable and bonds payable (continued)

As at 30 June 2024, the balance of bonds payable is as follows: (continued)

- 10) 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 company published an announcement on sales-back and adjustment of the coupon rate on 6 June 2024. The adjusted coupon rate was 2.49% and the total sale back amount was RMB2,150,000,000.00 (excluding interest). The bonds sold back shall not be resold. 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%, and paid the interest of RMB36,700,000.00 for the period from 11 June 2023 to 10 June 2024 on 11 June 2024.
- 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 19 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%.
- 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%. Interest was accrued from 31 May 2022 and the maturity date will be 31 May 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. 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. The Company paid the interest of RMB29,300,000.00 on 31 May 2024.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

38. Short-term financing bonds payable and bonds payable (continued)

As at 30 June 2024, the balance of bonds payable is as follows: (continued)

- 13) Pursuant to the Notice of Acceptance of Registration (Zhong Shi Xie Zhu [2023] No. DFI6) (《接受註冊通知書》(中市協註[2023]DFI6號)) issued by the National Association of Financial Market Institutional Investors, the Company issued the first tranche of medium-term notes of BBMG Corporation for 2024 on 4 February 2024 (hereinafter referred to as "24 BBMG MTN001"), 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 2.87%. 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 (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 2.84%.
- 14) 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 Jincal 01"), totalling RMB800,000,000.00 with a term of 3 years (with the issuer's option to redeem and adjust the coupon rate at the end of the first and second year and the investors' entitlement to sell back the bonds) and a coupon rate of 2.53%.
- 15) 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. 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%.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

39. Lease liabilities

	30 June 2024	31 December 2023
Principal of lease liabilities	857,471,625.90	836,771,112.83
Less: Unrecognised finance cost	<u>195,902,331.31</u>	<u>208,409,534.14</u>
	661,569,294.59	628,361,578.69
Less: Lease liabilities due within one year	<u>102,945,060.00</u>	<u>127,829,313.55</u>
Non-current portion	<u>558,624,234.59</u>	<u>500,532,265.14</u>

40. Long-term payables

	30 June 2024	31 December 2023
Long-term payables	412,453,372.83	273,383,127.71
Less: Long-term payables due within one year	<u>98,586,356.80</u>	<u>59,898,246.12</u>
Total	<u>313,867,016.03</u>	<u>213,484,881.59</u>

Analysis of maturity of long-term payables:

	30 June 2024	31 December 2023
Within 1 year (inclusive of 1 year)	98,586,356.80	59,898,246.12
1 to 2 years (inclusive of 2 years)	120,075,140.35	99,643,865.90
2 to 5 years (over 2 years and inclusive of 5 years)	<u>193,791,875.68</u>	<u>113,841,015.69</u>
Total	<u>412,453,372.83</u>	<u>273,383,127.71</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

41. Long-term wages payable

	30 June 2024	31 December 2023
Net liabilities of defined benefit plan	408,760,170.60	409,306,793.59
Changes in the present value of defined benefit plan are as follows:		
	30 June 2024	31 December 2023
Balance at the beginning of the period/year	456,334,616.92	496,334,846.90
Recognized in profit or loss		
Current service cost	1,000.00	(346,641.36)
Previous service cost	–	4,204,000.00
Net interest	3,162,710.00	13,255,437.00
Recognized in other comprehensive income		
Actuarial changes arising from changes in financial assumptions	5,923,780.00	(171,378.00)
Actuarial gains on difference in experience	–	(18,894,744.00)
Other changes		
Benefits paid	(10,264,383.99)	(38,046,903.62)
Balance at the end of the period/year	455,157,722.93	456,334,616.92
Less: Current portion of net liability of defined benefit plans	46,397,552.33	47,027,823.33
Total	408,760,170.60	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 30 June 2024 using the projected accumulated benefit units method.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

41. Long-term wages payable (continued)

The following table sets forth the principal actuarial assumptions used as at the balance sheet date:

	30 June 2024	31 December 2023
Discount rate (%)	2.00-3.00	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:

30 June 2024

	Increase (%)	Increase/ (decrease) of defined benefit plan obligations	Decrease (%)	Increase/ (decrease) of defined benefit plan obligations
Discount rate (%)	0.25	(6,895,139.77)	0.25	7,138,910.05
Expected growth rate of future retiree benefit costs (%)	0.50	13,185,424.24	0.50	(11,789,520.43)

31 December 2023

	Increase (%)	Increase/(decrease) of defined benefit plan obligations	Decrease (%)	Increase/(decrease) of defined benefit 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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

41. Long-term wages payable (continued)

The table below sets out the relevant costs recognised in profit or loss:

	30 June 2024	31 December 2023
Net interest expenses charged to finance expenses	3,162,710.00	13,255,437.00
Charged to management expenses	1,000.00	3,857,358.64
Total	3,163,710.00	17,112,795.64

Expected future payments to the defined benefit plan:

	30 June 2024	31 December 2023
Within 1 year	46,397,552.33	47,027,823.33
2 to 5 years	154,001,815.71	156,546,145.71
5 to 10 years	150,854,518.12	153,111,713.12
Over 10 years	462,307,262.00	468,490,904.00
Total expected deposit	813,561,148.16	825,176,586.16

42. Accrued liabilities

	Opening balance	Increase during the period	Decrease during the period	Closing balance
Pending litigations or arbitration	2,424,729.67	–	–	2,424,729.67
Accrued concrete loss (Note 1)	8,965,939.91	100,082.70	6,122,964.86	2,943,057.75
Restoration cost of mines (Note 2)	441,004,963.97	1,099,492.80	627,063.98	441,477,392.79
Others (Note 3)	64,238,605.24	–	1,493,712.90	62,744,892.34
Total	516,634,238.79	1,199,575.50	8,243,741.74	509,590,072.55

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

42. Accrued liabilities (continued)

Note 1: Accrued concrete loss was recognized based on potential difference between concrete's warehouse out amount and future settlement amount by the Group's subsidiaries engaged in the production of concrete.

Note 2: Accrued restoration cost was recognized based on the expenditure on restoration of mines required to be incurred in subsequent years by the Group's subsidiaries engaged in the production of cement.

Note 3: Others include the estimated project compensation for subsidiaries of the Group.

43. Deferred income

	30 June 2024	31 December 2023
Balance at the beginning of the period/year	786,216,497.15	762,550,771.11
Increase during the period/year	114,247,911.03	107,758,093.88
Decrease during the period/year	125,931,362.72	84,092,367.84
Balance at the end of the period/year	774,533,045.46	786,216,497.15

Of which, the details of government grants are as follows:

	30 June 2024	31 December 2023
Government grants related to assets		
Environmental protection projects	432,154,219.79	512,807,756.27
Relocation compensation	98,371,160.95	176,084,404.12
Specific funds	32,497,511.87	769,222.32
Others	206,658,457.82	89,691,164.74
Government grants related to income		
Research and development funds	4,851,695.03	6,863,949.70
Balance at the end of the period/year	774,533,045.46	786,216,497.15

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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:

30 June 2024

	Opening balance	Increase during the period	Included in other income during the period	Closing balance	Related to assets/gains
Asset subsidy for relocation compensation of Tiantan	129,946,980.39	-	38,561,727.56	91,385,252.83	Related to assets
Subsidy for environmental protection equipment for Bio-Island project	64,875,334.28	-	7,632,392.28	57,242,942.00	Related to assets
Appropriation for mud project of Beijing Cement Plant	9,906,377.68	-	1,857,445.83	8,048,931.85	Related to assets
Tangshan Qixin Cement Industry Museum Project	42,177,545.01	-	676,943.04	41,500,601.97	Related to assets
Grant of Liushui construction garbage project	24,493,333.34	-	1,224,666.69	23,268,666.65	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	-	589,622.64	16,804,245.29	Related to assets
Zanhuang collaborative disposal of household garbage and sludge project	10,177,500.00	-	531,000.00	9,646,500.00	Related to assets
Special subsidies to support the development of advanced manufacturing and modern service industries	11,462,500.00	-	393,000.00	11,069,500.00	Related to assets
Grant of Heilongjiang industrial production project	9,258,072.36	-	514,337.34	8,743,735.02	Related to assets
Project of the production line with a capacity of 4,600 tonnes of cement clinkers in Hechuan	11,515,402.80	-	161,054.58	11,354,348.22	Related to assets
Raw material storage tent of Zhenxing	5,298,437.80	-	332,266.20	4,966,171.60	Related to assets
Heat supply renovation project of Liulih	3,874,999.75	-	249,999.96	3,624,999.79	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	-	-	18,666,666.67	Related to assets
Environmental protection and governance fee project	7,227,555.52	-	250,666.67	6,976,888.85	Related to assets
Subsidy funds for SCR denitration project	8,170,000.00	-	272,333.34	7,897,666.66	Related to assets
SCR collaborative disposal project	8,131,000.00	-	282,000.00	7,849,000.00	Related to assets
A technology demonstration production line for capturing, storing, and utilizing 100,000 tons of carbon dioxide per year	21,930,000.00	-	-	21,930,000.00	Related to assets
Technological upgrading project of daily output of 4,000 tonnes cement clinker	-	11,000,000.00	-	11,000,000.00	Related to assets
SCR denitration ultra-low emission environmental governance project	-	6,000,000.00	124,941.22	5,875,058.78	Related to assets
Total	443,657,089.14	17,000,000.00	53,654,397.35	407,002,691.79	

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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)

31 December 2023

	Opening balance	Increase during the year	Included in other income during 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 Liushui 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 Liulih	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 denitration 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 tons 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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

44. Share capital

30 June 2024

	Opening balance	Movements during the period		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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

44. Share capital (continued)

31 December 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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

45. Other equity instruments

Perpetual bonds

	At the beginning of the period		Increase during the period		Decrease during the period		At the end of the period	
	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
Total	274,990,000.00	27,468,376,000.00	15,000,000.00	1,496,250,000.00	-	-	289,990,000.00	28,964,626,000.00

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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 within 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	The Company is entitled to redeem the medium-term notes at par value plus payable interest (including all deferred interest and its fruits) on each of the coupon rate reset date.
Interest rate determination	Medium-term notes carried fixed rate; <p>The end of the second year of interest calculation is the first coupon rate reset date. The coupon rate shall be reset every two years from the third year of interest calculation.</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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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: (continued)

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:

(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 Bonds shall bear interest at the fixed rate of return within the previous 7 years;

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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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: (continued)*

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, Jiangsu Trust Perpetual Bonds and renewable corporate bonds of the Group was 2.49%-5.45%, and as at 30 June 2024, the interest accrued was RMB526,101,336.11 and interest payable to specific investors amounted to RMB630,095,963.02 (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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

46. Capital reserve

30 June 2024

	Opening balance	Increase in the period	Decrease in the period	Closing balance
Share premium	<u>5,461,112,758.98</u>	<u>-</u>	<u>11,594,253.60</u>	<u>5,449,518,505.38</u>

31 December 2023

	Opening balance	Increase in the year	Decrease in 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 change in the capital reserve during the period mainly includes the equity transactions that do not affect control. For details of relevant transactions, please see Note VII. 2.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

47. Other comprehensive income

Accumulated balance of other comprehensive income attributable to shareholders of the parent company in the consolidated balance sheet:

30 June 2024

	1 January 2024	Increase/(decrease)	30 June 2024
Changes arising from re-measurement of defined benefit plans	123,455,001.20	(5,914,655.80)	117,540,345.40
Changes in fair value of investment in other equity instruments	(230,423,962.84)	(67,757,887.45)	(298,181,850.29)
Other comprehensive income that can be transferred to profit or loss under the equity method	(15,000,713.70)	450,544.04	(14,550,169.66)
Cash flow hedging reserves	(733,367.25)	–	(733,367.25)
Exchange differences on foreign currency translation	36,119,124.17	3,396,999.26	39,516,123.43
The difference between the fair value and the carrying value of the inventories/self-occupied properties on the date when it changed to the investment properties measured with the fair value model	718,946,168.48	–	718,946,168.48
Total	632,362,250.06	(69,824,999.95)	562,537,250.11

31 December 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 inventories/self-occupied properties 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

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

47. Other comprehensive income (continued)

Changes in other comprehensive income:

January to June 2024

	Amount before tax	Less: Income tax	Attributable to the shareholders of the parent company	Attributable to minority shareholders
Other comprehensive income not allowed to be reclassified to profit or loss				
Changes arising from remeasurement of defined benefit plans	(5,923,780.00)	-	(5,914,655.80)	(9,124.20)
Changes in fair value of investment in other equity instruments	(166,205,084.21)	(41,551,271.05)	(67,757,887.45)	(56,895,925.71)
Other comprehensive income to be reclassified into profit or loss				
Other comprehensive income that may be reclassified to profit or loss under the equity method	828,863.40	-	450,544.04	378,319.36
Exchange differences on foreign currency translation	3,458,832.69	-	3,396,999.26	61,833.43
Total	<u>(167,841,168.12)</u>	<u>(41,551,271.05)</u>	<u>(69,824,999.95)</u>	<u>(56,464,897.12)</u>

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 to profit or loss				
Changes arising from remeasurement of 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 the 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	<u>(128,412,398.01)</u>	<u>(28,046,107.97)</u>	<u>(53,940,051.63)</u>	<u>(46,426,238.41)</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

48. Specific reserve

30 June 2024

	Opening balance	Increase during the period	Decrease during the period	Closing balance
Production safety cost	<u>68,415,551.23</u>	<u>81,666,201.03</u>	<u>76,034,244.02</u>	<u>74,047,508.24</u>

31 December 2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Production safety cost	<u>62,794,408.27</u>	<u>184,915,826.52</u>	<u>179,294,683.56</u>	<u>68,415,551.23</u>

Pursuant to the requirements of the Administrative Measures on Provision and Usage of Production Safety Cost of Enterprises (Caiqi [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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

49. Surplus reserve

30 June 2024

	Opening balance	Increase during the period	Decrease during the period	Closing balance
Statutory surplus reserve	<u>2,935,800,236.68</u>	<u>–</u>	<u>–</u>	<u>2,935,800,236.68</u>

31 December 2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Statutory surplus reserve	<u>2,620,134,353.87</u>	<u>315,665,882.81</u>	<u>–</u>	<u>2,935,800,236.68</u>

According to the requirements of the Company Law and the Articles of Association of the Company, the Company shall appropriate 10% of its net profit to the statutory surplus reserve. In the event that the accumulated statutory surplus reserve of the Company has exceeded 50% of the registered capital of the Company, additional appropriation will not be needed. After the appropriation to statutory surplus reserve, the Company may make appropriation to the discretionary surplus reserve. Upon approval, discretionary surplus reserve can be used to make up for losses from previous years or to increase the share capital.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

50. General risk reserve

30 June 2024

	Opening balance	Increase during the period	Closing balance
General risk reserve	<u>496,135,862.64</u>	<u>–</u>	<u>496,135,862.64</u>

31 December 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 Beijing BBMG Finance Co., Ltd., based on a certain ratio of the balance of risk assets at the end of the period pursuant to the Administrative Measures on Provision of Reserves of Financial Enterprises (《金融企業準備金計提管理辦法》) issued by the Ministry of Finance.

51. Retained earnings

	30 June 2024	31 December 2023
Retained earnings as at the beginning of the period/year	25,267,051,623.61	27,155,839,982.99
Net (loss)/profit attributable to the shareholders of the parent company	(806,672,814.70)	25,262,828.59
Less: Interest of perpetual bonds	526,101,336.11	882,597,950.00
Appropriation of surplus reserve	–	315,665,882.81
Appropriation of general risk reserve	–	376,689.18
Cash dividends payable	266,944,278.35	715,410,665.98
Retained earnings at the end of the period/year	<u>23,667,333,194.45</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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

52. Operating revenue and costs

	January to June 2024		January to June 2023	
	Revenue	Costs	Revenue	Costs
Principal operations	45,209,615,420.19	40,876,995,156.80	48,668,620,897.13	43,373,068,775.87
Other operations	352,791,911.60	105,655,517.65	467,680,275.00	251,181,998.86
Total	45,562,407,331.79	40,982,650,674.45	49,136,301,172.13	43,624,250,774.73

Operating revenue are as follows:

	January to June 2024	January to June 2023
Revenue from contracts with customers	44,341,508,860.69	48,042,681,916.22
Rental income	1,013,645,284.38	800,273,657.27
Including: Rental income from investment properties	865,661,381.12	686,645,497.87
Other rental income	147,983,903.26	113,628,159.40
Interest income	207,253,186.72	293,345,598.64
Total	45,562,407,331.79	49,136,301,172.13

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

52. Operating revenue and costs (continued)

Disaggregated operating revenue is as follows:

Reportable segments	January to June 2024	January to June 2023
Types of goods		
Bulk commodity trade	17,126,527,015.73	17,182,250,530.43
Sale of products	14,766,672,347.28	18,700,237,978.69
Sale of properties	8,966,517,727.98	9,252,801,360.48
Rental income	1,013,645,284.38	800,273,657.27
Property management	596,318,882.90	520,517,896.33
Hotel operation	187,158,763.74	178,322,564.67
Income from decoration	1,314,330,648.58	789,343,459.36
Treatment of solid wastes	451,233,352.77	530,871,071.26
Interest income	207,253,186.72	293,345,598.64
Others	932,750,121.71	888,337,055.00
	<u>45,562,407,331.79</u>	<u>49,136,301,172.13</u>
Total		
Operating regions		
North China	29,490,559,384.34	30,431,172,114.25
East China	7,713,755,832.65	10,165,699,430.58
Central China	265,602,689.42	503,962,505.71
South China	54,299,431.52	306,870,949.53
Northeast China	712,320,595.88	997,099,925.75
Southwest China	950,282,159.35	1,063,328,935.72
Northwest China	782,088,972.93	1,041,139,991.12
Overseas	5,593,498,265.70	4,627,027,319.47
	<u>45,562,407,331.79</u>	<u>49,136,301,172.13</u>
Total		
Time of transfer of goods		
At a point in time	41,792,467,212.70	46,023,626,924.60
Over time	3,769,940,119.09	3,112,674,247.53
	<u>45,562,407,331.79</u>	<u>49,136,301,172.13</u>
Total		

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

53. Tax and surcharges

	January to June 2024	January to June 2023
City maintenance and construction tax	51,314,056.15	60,511,407.46
Education surcharges	39,719,035.55	49,483,991.23
Resource tax	99,074,892.71	79,809,080.06
Real estate tax	222,059,904.43	201,696,348.35
Urban and rural land use tax	101,554,195.36	100,157,065.81
Stamp duty	43,780,516.34	46,367,080.92
Land appreciation tax	(14,858,249.43)	(201,098,645.96)
Green tax	25,539,713.49	23,967,813.83
Vehicle and vessel tax	695,897.81	828,541.53
Others	1,865,639.71	2,626,590.30
Total	570,745,602.12	364,349,273.53

54. Selling expenses

	January to June 2024	January to June 2023
Employee remuneration	527,462,611.97	470,851,393.94
Office expenses	155,001,470.98	209,049,265.06
Lease fee	46,164,700.52	30,964,852.68
Agency intermediary fee	215,546,747.68	189,160,046.69
Advertisement fee	135,751,540.62	184,686,822.54
Transportation expenses	17,086,811.03	19,704,366.64
Others	18,330,321.67	36,255,873.81
Total	1,115,344,204.47	1,140,672,621.36

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

55. Administrative expenses

	January to June 2024	January to June 2023
Employee remunerations	1,557,258,851.80	1,345,519,607.10
Office expenses	500,775,553.50	536,548,584.71
Intermediary service fees	108,011,147.85	121,654,390.32
Lease fee	99,079,878.23	97,819,368.06
Sewage and afforestation fees	22,751,956.68	20,665,444.52
Others	1,091,173,274.85	1,145,275,907.79
Total	3,379,050,662.91	3,267,483,302.50

56. Research and development expenses

	January to June 2024	January to June 2023
Employee remunerations	183,657,030.72	163,439,135.91
Material and equipment cost	67,583,775.58	50,349,404.63
Others	50,052,620.53	47,207,107.67
Total	301,293,426.83	260,995,648.21

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

57. Finance costs

	January to June 2024	January to June 2023
Interest expense	2,299,617,112.39	2,292,997,892.02
Less: Interest income	(85,847,026.05)	(142,753,690.75)
Less: Amount of capitalized interest	(641,578,661.19)	(960,748,235.85)
Exchange (gains)/losses	(9,041,706.21)	37,402,376.95
Handling charges	13,841,369.25	53,336,440.34
Others	7,500,797.46	14,771,598.87
Total	<u>1,584,491,885.65</u>	<u>1,295,006,381.58</u>

From January to June 2024, the amount of capitalised borrowing costs has been included in construction in progress of RMB1,372,822.43 (from January to June 2023: RMB20,065,344.11) and costs for properties under development of RMB640,205,838.76 (from January to June 2023: RMB940,682,891.74).

58. Other gains

Government subsidies in relation to the ordinary activities are as follows:

	January to June 2024	January to June 2023	Related to assets/gains
Refunds of VAT	74,957,400.80	119,030,086.91	Related to gains
Income from other subsidies	131,871,335.20	112,226,746.89	Related to assets/gains
Grants on sale of heat	3,347,400.00	2,900,000.00	Related to gains
Total	<u>210,176,136.00</u>	<u>234,156,833.80</u>	

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

59. Investment gains

	January to June 2024	January to June 2023
Gains from long-term equity investments under equity method	135,608,148.50	62,339,666.03
Investment gains from disposal of long-term equity investments	4,629,121.77	5,596,175.97
Investment gains from financial assets held for trading during the holding period	–	112,406.67
Dividend income from investment in other equity instruments on hand during the holding period	277,041.51	15,909,921.00
Interest income from debt investments during the holding period	22,664,595.27	29,398,554.62
Investment gains from disposal of financial assets held for trading	–	2,392,681.89
Investment gains from disposal of other debt investments	4,819,320.31	8,723,280.95
Others	21,789,630.58	4,631,936.98
Total	189,787,857.94	129,104,624.11

During the period, due to the changes in the holding purpose of the management, the Group derecognized certain financial assets measured at amortized cost and recognized a gain of RMB4,819,320.31 (from January to June 2023: gain of RMB8,723,280.95), which was included in investment gains.

60. Gains from changes in fair value

	January to June 2024	January to June 2023
Financial assets held for trading	39,617,954.36	59,169,173.71
Investment properties measured at fair value	176,969,394.58	278,262,646.83
Hedging business	(6,531,704.86)	(730,049.99)
Total	210,055,644.08	336,701,770.55

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

61. Credit impairment losses

	January to June 2024	January to June 2023
Reversal of bad debts of bills receivables	3,172,489.77	8,850,672.28
Losses on bad debts of accounts receivable	(46,779,859.97)	(123,020,529.52)
(Losses)/reversal of bad debts of other receivables	(25,567,018.16)	39,249,709.55
Reversal of bad debts of long-term receivables	11,393,356.22	14,094,950.50
Total	<u>(57,781,032.14)</u>	<u>(60,825,197.19)</u>

62. Asset impairment losses

	January to June 2024	January to June 2023
Losses on decline in value of inventory	(311,415,953.47)	(81,753,716.45)
Losses on impairment of goodwill	(17,000,000.00)	–
Losses on impairment of contract assets	(294,436.22)	1,295,795.78
Losses on impairment of prepayments	(407,105.33)	(1,822,050.36)
Losses on impairment of long-term equity investment	–	(4,981,823.43)
Losses on impairment of fixed assets	–	(2,736,216.32)
Others	(1,510,210.67)	678,920.33
Total	<u>(330,627,705.69)</u>	<u>(89,319,090.45)</u>

63. Gains on disposal of assets

	January to June 2024	January to June 2023
Gains on disposal of fixed assets	75,441,744.47	30,253,958.79
Gains on disposal of intangible assets	923,326,313.49	525,185,155.33
Others	1,021,281.92	64,283,966.34
Total	<u>999,789,339.88</u>	<u>619,723,080.46</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

64. Non-operating income

	January to June 2024	January to June 2023	Recognised in non-recurring profit and loss for January to June 2024
Net gains from fines	12,323,678.84	24,184,959.35	12,323,678.84
Relocation compensation/ government grants	2,607,661.61	3,092,775.67	2,607,661.61
Unpayable amounts	18,276,216.92	17,345,666.05	18,276,216.92
Gains on disposal of non-current assets	6,261,287.66	9,593,567.41	6,261,287.66
Others	60,262,625.93	69,589,796.93	60,262,625.93
Total	99,731,470.96	123,806,765.41	99,731,470.96

65. Non-operating expenses

	January to June 2024	January to June 2023	Recognised in non-recurring profit and loss for January to June 2024
Losses on disposal of non-current assets	5,024,059.46	27,375,900.30	5,024,059.46
<i>Including: Losses on disposal of fixed assets</i>	5,024,059.46	27,375,804.56	5,024,059.46
<i>Losses on disposal of other non-current assets</i>	–	95.74	–
Expenses on charity donation	138,600.00	1,490,939.87	138,600.00
Expenses on compensation, penalties and fines	4,288,799.06	6,477,412.09	4,288,799.06
Other expenses	10,964,853.48	15,865,864.20	10,964,853.48
Total	20,416,312.00	51,210,116.46	20,416,312.00

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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:

	January to June 2024	January to June 2023
Consumption of raw materials	10,124,220,203.65	13,005,092,140.92
Procurement costs of tradable goods	17,559,531,347.50	17,688,705,992.11
Cost of sales of real estate	8,489,170,329.82	8,065,515,385.11
Changes in inventory of finished goods and work in progress	(678,666,995.36)	(1,170,208,554.44)
Employee remunerations	3,775,875,694.90	3,465,665,667.95
Depreciation and amortisation	2,637,144,426.80	2,602,901,548.50
Rentals	163,447,036.33	142,819,146.76
Maintenance expenses	455,897,520.57	496,901,063.33
Fuel and energy costs	1,179,101,158.11	1,253,234,486.83
Transportation fee	481,078,064.34	560,435,166.44
Advertisement fee	153,543,895.79	197,600,591.72
Office expenses	62,934,793.22	83,857,246.26
Intermediary fee	323,557,895.53	310,814,437.01
Others	1,051,503,597.46	1,590,068,028.30
Total	45,778,338,968.66	48,293,402,346.80

67. Income tax expense

	January to June 2024	January to June 2023
Current income tax expense	648,518,787.20	506,198,769.72
Deferred income tax expense	30,570,252.78	(95,175,668.03)
Total	679,089,039.98	411,023,101.69

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

67. Income tax expense (continued)

A reconciliation of income tax expense and total (loss)/profit is set out as follows:

	January to June 2024	January to June 2023
Total (loss)/profit	(1,070,453,725.61)	425,681,840.45
Income tax expense at the statutory income tax rate	(267,613,431.40)	68,947,785.67
Effect of different tax rates of subsidiaries	(9,343,292.15)	(165,613.56)
Effect of adjustments on the income tax of previous periods	8,320,844.15	5,691,979.52
Share of profits and losses of joint ventures and associates	(110,210,453.31)	(15,584,916.51)
Income not subject to tax	(10,158,802.57)	(6,029,788.92)
Effect of non-deductible costs, expenses and losses	9,192,724.53	13,055,296.09
Effect of deductible temporary difference and deductible losses not recognized	1,058,901,450.73	345,108,359.40
Income tax expense at the effective tax rate of the Group	679,089,039.98	411,023,101.69

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

68. Earnings per share

	January to June 2024 RMB/share	January to June 2023 RMB/share
Earnings		
Net (loss)/profit for the period attributable to ordinary shareholders of the Company	(806,672,814.70)	410,060,289.04
Less: Interests on other equity instrument	<u>526,101,336.11</u>	<u>383,489,404.17</u>
Shares		
Weighted average number of ordinary shares in issue of the Company	<u>10,677,771,134.00</u>	<u>10,677,771,134.00</u>
Basic earnings per share – continuing operations	<u>(0.12)</u>	<u>0.0025</u>

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 earnings 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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

69. Notes to items of statement of cash flows

(1) Cash related to operating activities

	January to June 2024	January to June 2023
Cash received from other operating activities		
Interest income received	24,603,088.81	170,000,350.28
Principal and interest on financing sale-leaseback	281,606,917.67	95,230,406.39
Deposit and amounts collected on behalf, disbursements previously made and payment on behalf	3,092,922,304.96	–
Current accounts and other current account	<u>1,322,516,779.06</u>	<u>414,951,814.80</u>
Total	<u>4,721,649,090.50</u>	<u>680,182,571.47</u>
Cash paid for other operating activities		
Selling and administrative expenses etc. paid	1,625,882,572.69	2,145,728,927.10
Principal on financing sale-leaseback	240,000,000.00	1,148,972,310.45
Deposit and other amounts paid	4,333,331,719.03	200,000,000.00
Other current accounts	<u>2,054,326,136.99</u>	<u>442,008,758.91</u>
Total	<u>8,253,540,428.71</u>	<u>3,936,709,996.46</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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

	January to June 2024	January to June 2023
Cash received from recovery of investment funds		
Redemption of wealth management products	136,000,000.00	1,848,826,322.56
Recovery of investment funds	9,280,516.04	540,868,102.36
Total	145,280,516.04	2,389,694,424.92
Cash paid for investments		
Payment for equity	223,198,733.59	30,000,000.00
Purchase of wealth management products	1,269,940,210.17	677,244,155.29
Total	1,493,138,943.76	707,244,155.29

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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 (continued)

	January to June 2024	January to June 2023
Cash received from other investing activities		
Collection of the principal of borrowings from associates	46,842,322.98	1,198,719,430.73
Recovery of bid bond for equity purchase	105,150,000.00	–
Collection of the principal and interest of borrowings from external entities	55,549,364.15	37,000,000.00
Total	207,541,687.13	1,235,719,430.73
Cash paid for other investing activities		
Payment of borrowings from associates	200,000,000.00	–
Payment of borrowings from other companies	195,000,000.00	–
Total	395,000,000.00	–

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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

	January to June 2024	January to June 2023
Cash received from other financing activities		
Borrowings received from minority shareholders	327,390,960.00	–
Payment for equipment finance lease received	140,075,719.18	–
Total	467,466,679.18	–
Cash paid for other financing activities		
Payment for acquisition of minority interests	203,965,259.85	8,400,902,893.22
Repayment of borrowings of minority shareholders	88,252,202.06	505,400,000.00
Principal and interest of lease liabilities	79,738,478.68	80,610,144.46
Repayment of external borrowings	31,469,377.41	37,000,000.00
Total	403,425,318.00	9,023,913,037.68

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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 (continued)

The changes in liabilities generated from financing activities are as follows:

	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	29,527,007,127.21	10,749,620,795.12	696,861,838.10	13,512,413,358.61	-	27,461,076,401.82
Interest payable	45,330,789.42	-	1,281,022,798.14	1,296,102,357.72	29,317,265.95	933,963.89
Dividends payable	530,721,645.35	-	808,305,417.74	641,210,055.22	-	697,817,007.87
Long-term borrowings (including the portion due within one year)	46,054,823,969.71	17,664,773,593.77	926,689,407.61	5,492,786,868.04	-	59,153,500,103.05
Bonds payable (including the portion due within one year)	25,000,229,701.05	5,298,000,000.00	432,021,685.16	4,691,380,500.00	-	26,038,870,886.21
Lease liabilities (including the portion due within one year)	628,361,578.69	-	192,329,873.78	79,738,478.68	79,383,679.20	661,569,294.59
Short-term financing notes	6,018,292,602.73	-	54,128,708.74	6,072,421,311.47	-	-
Total	107,804,767,414.16	33,712,394,388.89	4,391,359,729.27	31,786,052,929.74	108,700,945.15	114,013,767,657.43

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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 (loss)/profit to cash flows from operating activities:

	January to June 2024	January to June 2023
Net (loss)/profit	(1,749,542,765.59)	14,658,738.76
Add: Losses on credit impairment	57,781,032.14	60,825,197.19
Asset impairment losses	330,627,705.69	89,319,090.45
Depreciation of fixed asset	2,087,748,648.29	2,015,355,107.31
Depreciation of right-of-use assets	91,156,197.78	94,412,341.29
Amortisation of intangible assets	274,188,769.45	306,593,352.86
Amortisation of long-term deferred expenses	184,050,811.28	186,540,747.04
Gains from disposal of fixed assets, intangible assets and other long-term assets	(1,071,151,234.51)	(685,998,943.18)
(Gains)/Losses on retirement of non-current assets	(1,237,228.20)	17,782,332.89
Gains from changes in fair value	(210,055,644.08)	(336,701,770.55)
Finance costs	1,631,099,050.29	1,330,756,223.65
Investment income	(189,787,857.94)	(129,104,624.11)
Decrease/(increase) in deferred income tax assets	49,296,758.44	(171,160,201.06)
Increase in deferred income tax liabilities	19,208,606.50	68,254,612.96
Decrease in inventories	6,086,128,145.77	5,367,496,593.16
Increase in operating receivables	(4,738,639,768.66)	(3,363,260,089.52)
Decrease in operating payables	(7,021,007,497.99)	(647,380,930.55)
Net cash flows (used in)/generated from operating activities	(4,170,136,271.34)	4,218,387,778.59

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

70. Supplemental information to statement of cash flows (continued)

(1) Supplemental information to statement of cash flows (continued)

Material financing activities not involving cash:

	January to June 2024	January to June 2023
Endorsement and transfer of bank acceptance bills received from sale of goods or rendering of services	<u>2,609,322,062.52</u>	<u>2,608,125,201.76</u>

Net changes in cash and cash equivalents:

	January to June 2024	January to June 2023
Balance of cash and cash equivalents at the end of the period	<u>11,887,472,377.51</u>	16,683,010,351.17
Less: Balances of cash equivalents at the beginning of the period	<u>13,779,108,469.50</u>	<u>9,775,406,159.73</u>
Net (decrease)/increase in cash and cash equivalents	<u>(1,891,636,091.99)</u>	<u>6,907,604,191.44</u>

(2) Net cash from acquisition of subsidiaries and other operating unit

	January to June 2024
Price for acquisition of subsidiaries and other operating units	<u>213,795,641.75</u>
Cash and cash equivalents received from subsidiaries and other operating units acquired during the period	<u>2,531,588.30</u>
Less: Cash and cash equivalents held by subsidiaries and other operating units acquired	<u>51,537,633.14</u>
Net cash paid for acquisition of subsidiaries and other operating units	<u>49,006,044.84</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

70. Supplemental information to statement of cash flows (continued)

(3) Net cash from disposal of subsidiaries and other operating units

	January to June 2024
Cash received from disposal of subsidiaries and other operating units during the period	–
Less: Cash and cash equivalents held upon disposal of subsidiaries and other operating units	<u>9,961,669.64</u>
Decrease in net cash received from disposal of subsidiaries and other operating units	<u>(9,961,669.64)</u>

(4) Composition of cash and cash equivalents

	30 June 2024	31 December 2023
Cash	11,887,472,377.51	13,779,108,469.50
Including: Cash on hand	1,018,050.00	447,812.31
Bank deposits on demand	<u>11,886,454,327.51</u>	<u>13,778,660,657.19</u>
Balance of cash and cash equivalents at end of the period/year	<u>11,887,472,377.51</u>	<u>13,779,108,469.50</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

71. Foreign currency monetary items

	30 June 2024			31 December 2023		
	Original currency	Exchange rate	As RMB	Original currency	Exchange rate	As RMB
Cash and bank balances						
USD	73,436,045.35	7.1268	523,364,008.00	20,952,428.30	7.0827	148,399,763.92
EUR	720,782.36	7.6617	5,522,418.21	702,102.84	7.8592	5,517,966.64
HKD	164,561.36	0.9127	150,195.15	1,049,755.29	0.9062	951,288.24
ZAR	54,702,275.89	0.3869	21,164,310.54	47,012,040.30	0.3819	17,953,898.19
Accounts receivable						
USD	6,557,368.29	7.1268	46,733,052.33	46,344,510.71	7.0827	328,244,266.01
Other receivables						
USD	32,587,571.20	7.1268	232,245,102.43	39,003,522.25	7.0827	276,250,247.04
ZAR	2,929,862.45	0.3869	1,133,563.78	-	-	-
HKD	24,000.00	0.9127	21,904.80	24,000.00	0.9062	21,748.80
Long-term receivables						
USD	18,340,313.00	7.1268	130,707,742.69	19,123,448.00	7.0827	135,445,645.15
Total foreign currency monetary assets			<u>961,042,297.93</u>			<u>912,784,823.99</u>
Accounts payable						
USD	1,497,149.87	7.1268	10,669,887.69	11,929,117.49	7.0827	84,490,360.45
ZAR	43,590,922.67	0.3869	16,865,327.98	42,990,922.67	0.3819	16,418,233.37
Long-term payables						
USD	19,788.00	7.1268	141,025.12	-	-	-
Bills payable						
USD	83,612,758.88	7.1268	595,891,409.99	65,698,225.55	7.0827	465,320,822.10
Tax payable						
USD	745,154.00	7.1268	5,310,563.53	653,299.00	7.0827	4,627,120.83
HKD	-	-	-	300,955.00	0.9062	272,725.42
ZAR	-	-	-	1,388,899.39	0.3819	530,420.68
Other payables						
USD	7,649.00	7.1268	54,512.89	7,649.00	7.0827	54,175.57
ZAR	27,431,912.12	0.3869	10,613,406.80	18,890,870.18	0.3819	7,214,423.32
Total foreign currency monetary liabilities			<u>639,546,134.00</u>			<u>578,928,281.74</u>
Net foreign currency monetary assets			<u>321,496,163.93</u>			<u>333,856,542.25</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

72. Lease

(1) As lessee

	January to June 2024	January to June 2023
Interest expense of leasing liabilities	13,806,693.93	10,888,671.91
Expenses relating to short-term leases accounted for current profit or loss under the simplified approach	134,002,791.21	104,985,232.63
Lease expenses relating to low value asset accounted for current profit or loss under the simplified approach (other than short- term leases)	29,444,245.12	25,585,992.77
Total cash outflow for leases	229,378,821.09	151,413,977.80

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

72. Lease (continued)

(2) As lessor

Finance leases

The profit or loss relating to finance leases is as follows:

	January to June 2024	January to June 2023
Finance income on the net investment in the lease	30,292,396.86	17,979,924.21

According to the lease contracts entered into with lessees, the undiscounted minimum lease receivables are as follows:

	30 June 2024	31 December 2023
Within 1 year (inclusive of 1 year)	580,115,474.36	556,872,359.19
1 to 2 years (inclusive of 2 years)	479,055,059.84	413,348,568.66
2 to 3 years (inclusive of 3 years)	243,964,965.61	300,802,021.55
3 to 4 years (inclusive of 4 years)	44,137,645.56	76,504,133.81
4 to 5 years (inclusive of 5 years)	22,954,241.04	45,684,452.16
	1,370,227,386.41	1,393,211,535.37
Less: Unrealised finance income	98,557,677.73	118,354,167.74
Net investment in the lease	1,271,669,708.68	1,274,857,367.63

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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:

	January to June 2024	January to June 2023
Rental income	1,013,645,284.38	800,273,657.27

According to the lease contracts entered into with lessees, the undiscounted minimum lease receivables are as follows:

	30 June 2024	31 December 2023
Within 1 year (inclusive of 1 year)	459,270,375.31	494,469,159.33
1 to 2 years (inclusive of 2 years)	560,067,003.33	444,193,577.78
2 to 3 years (inclusive of 3 years)	546,306,101.28	416,612,720.99
3 to 4 years (inclusive of 4 years)	687,627,411.99	574,968,489.53
4 to 5 years (inclusive of 5 years)	385,723,090.75	313,382,048.39
Over 5 years	275,870,427.38	564,281,437.13
Total	2,914,864,410.04	2,807,907,433.15

Please refer to Note V. 17 and Note V. 18 for details of investment properties and fixed assets leased under operating leases.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VI. CHANGE IN SCOPE OF CONSOLIDATION

1. Business combinations not under common control

Business combinations not under common control that occurred during the period are listed as follows:

			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 period	Net loss of the acquiree from the purchase date to the end of the period	Net cash flow of the acquiree from the purchase date to the end of the period
BBMG TUS Technology Incubator Co., Ltd.	21 June 2024	7,045,943.70	75.00	Cash	21 June 2024	Completion of the equity transfer	591,663.10	(1,295,867.31)	(605,514.77)

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% 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% 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% 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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VI. CHANGE IN SCOPE OF CONSOLIDATION *(continued)*

1. Business combinations not under common control *(continued)*

The fair value and carrying amount of identifiable assets and liabilities of BBMG TUS Technology Incubator Co., Ltd. on the purchase date are as follows:

	Fair value on 21 June 2024	Carrying amount on 21 June 2024
Cash and bank balances	22,439,456.94	22,439,456.94
Accounts receivable	285,495.37	285,495.37
Other receivables	93,350.00	93,350.00
Investment in other equity instruments	345,430.37	1,000,000.00
Fixed assets	233,757.00	93,688.94
Long-term deferred expenditures	87,819.99	87,819.99
Accounts payable	(4,240.00)	(4,240.00)
Contract liabilities	(629,167.10)	(629,167.10)
Wages payable	(87,380.45)	(87,380.45)
Taxes payable	(5,314.38)	(5,314.38)
Other payables	(13,859,122.33)	(13,859,122.33)
Deferred income tax assets	128,625.39	—
Net assets	<u>9,028,710.80</u>	<u>9,414,586.98</u>
Minority interests	<u>2,257,177.70</u>	
Net assets acquired	<u>6,771,533.10</u>	
Goodwill on acquisition	<u>274,410.60</u>	
Consideration for the merger	<u>7,045,943.70</u>	

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VI. CHANGE IN SCOPE OF CONSOLIDATION (continued)

1. Business combinations not under common control (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 period	Net profit/(loss) of the acquiree from the purchase date to the end of the period	Net cash flow of the acquiree from the purchase date to the end of the period
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	11,039,490.72	232,207.49	506,403.93
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	-	(3,088,863.95)	(226,020.44)

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% 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") and 100% 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 RMB62,340,900.00 and RMB21,042,900.00, respectively. On 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 and Longda Consulting on 5 January 2024, holding 100% of their equity interests and becoming their controlling shareholder.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VI. CHANGE IN SCOPE OF CONSOLIDATION *(continued)*

1. Business combinations not under common control *(continued)*

The fair value and carrying amount of identifiable assets and liabilities 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) 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 for the merger	<u>62,340,900.00</u>	

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VI. CHANGE IN SCOPE OF CONSOLIDATION *(continued)*

1. Business combinations not under common control *(continued)*

The fair value and carrying amount of identifiable assets and liabilities of Tianjin Longda Health Consulting Service Co., Ltd. (天津市龍達健康諮詢服務有限公司) 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 for the merger	<u>21,042,900.00</u>	

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VI. CHANGE IN SCOPE OF CONSOLIDATION (continued)

1. Business combinations not under common control (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 period	Net loss of the acquiree from the purchase date to the end of the period	Net cash flow of the acquiree from the purchase date to the end of the period	
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	105,434,796.18	53.93	Equity swap	3 April 2024	Completion of the equity transfer	380,382,566.31	(4,162,445.18)	18,771,701.42

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 contribute to Jinyu Hangjia Xincai with fair value of its 100% equity interests in Jinyu Aerated and its 51% equity interests in Shaanxi Aerated as the consideration, and acquired 53.93% equity interests in Jinyu Hangjia Xincai upon the capital contribution. On 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. According to the calculation based on the identifiable net assets on the acquisition date, the minority shareholders' equity was recognized to be RMB27,013,628.44.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VI. CHANGE IN SCOPE OF CONSOLIDATION *(continued)*

1. Business combinations not under common control *(continued)*

The fair value and carrying amount of identifiable assets and liabilities of Zhejiang Jinyu Hangjia Green Building Technology Co., Ltd. (浙江金隅杭加綠建科技有限公司) 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	121,053,629.30	121,053,629.30
Other current assets	29,635,798.01	29,635,798.01
Investment property	5,256,666.12	5,256,666.12
Fixed assets	1,162,136,749.78	1,090,617,153.25
Construction in progress	217,209,901.64	217,209,901.64
Right-of-use assets	7,097,071.37	7,097,071.37
Intangible assets	314,684,711.48	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)
Wages payable	(28,554,934.25)	(28,554,934.25)
Taxes payable	(6,650,512.06)	(6,650,512.06)
Accrued interest	(794,858.02)	(794,858.02)
Other payables	(321,707,051.88)	(321,707,051.88)
Contract liabilities	(18,615,289.81)	(18,615,289.81)

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VI. CHANGE IN SCOPE OF CONSOLIDATION *(continued)*

1. Business combinations not under common control *(continued)*

	Fair value on 3 April 2024	Carrying amount on 3 April 2024
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	(20,398,274.57)	–
Net assets	<u>43,611,864.58</u>	<u>(57,001,067.04)</u>
Minority interests	<u>21,013,628.44</u>	
Net assets acquired	<u>22,598,236.14</u>	
Goodwill on acquisition	<u>82,836,560.04</u>	
Consideration for the merger	<u>105,434,796.18</u>	

As at 30 June 2024, the allocation of the acquisition price has not been completed, and the fair values of identifiable assets and liabilities are provisional.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VI. CHANGE IN SCOPE OF CONSOLIDATION *(continued)*

2. Disposal of subsidiaries

	Date of loss of control	Consideration for the disposal on the date of loss of control	Proportion of equity disposed on the date of loss of control (%)	Disposal method on the date of loss of control	Basis for determining the date of loss of control	Difference between consideration for the disposal and share of net assets of the subsidiary corresponding to the disposal of investment in the consolidated financial statement
Shenyang Landing Concrete Co., Ltd.	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	4,629,121.77
	Proportion of the remaining equity on the date of loss of control (%)	Carrying value of the remaining equity in the consolidated financial statement on the date of loss of control	Fair value of the remaining equity in the consolidated financial statement on the date of loss of control	Gains or losses arising from the revaluation of the remaining equity at fair value	Method and key assumptions used to determine the fair value of the remaining equity in the consolidated financial statement on the date of loss of control	Amount of other comprehensive income related to the equity investment in the original subsidiary transferred to gains or losses on investment or retained earnings
Shenyang Landing Concrete Co., Ltd.	-	-	-	-	Not applicable	-

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VI. CHANGE IN SCOPE OF CONSOLIDATION *(continued)*

2. Disposal of subsidiaries *(continued)*

The relevant financial information of disposal of subsidiaries is set out as follows:

	Shenyang Landing Concrete Co., Ltd. 18 March 2024
<hr/>	
Current assets	11,037,366.20
Non-current assets	–
Current liabilities	(111,543,388.96)
Non-current liabilities	–

3. Deregistration of subsidiaries

The Group deregistered 2 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
Siping BBMG Cement Co., Ltd.	100.00%	Deregistration
Tangshan Jidong Mechanical and Electrical Equipment Mongolia Co., Ltd.	100.00%	Deregistration

4. Establishment of new subsidiaries

	Acquired method	Percentage of shareholding
Beijing Xingfang New Building Materials Co., Ltd. (北京興房新型建材有限公司)	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%
BBMG Commercial Management (Hefei) Co., Ltd. (金隅商業管理(合肥)有限公司)	Establishment	100.00%

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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.	Beijing	Processing of commodity concrete etc.	46,541.04	-	100.00
Handan BBMG Taihang Shangtong Technology Co., Ltd.	Hebei	Manufacture and sale of concrete	6,600.00	-	100.00
Wei County BBMG Concrete Co., Ltd.	Hebei	Manufacture and sale of concrete	1,000.00	-	92.00
Handan Hanshan BBMG Concrete Co., Ltd.	Hebei	Manufacture and sale of commercial concrete and crushed stone	3,000.00	-	92.00
Handan Jinyu Chenxiang Concrete Co., Ltd.	Hebei	Manufacture and sale of concrete	3,000.00	-	92.00
Beijing BBMG Coating Co., Ltd.	Beijing	Manufacture of coating; professional contracting	15,720.00	-	100.00
BBMG New Building Materials Industrialization Group Co., Ltd.	Beijing	Manufacture and sale of building materials	407,765.00	100.00	-
Beijing Sanchong Mirror Co., Ltd.	Beijing	Manufacture and sale of glass made spectacle lenses	5,766.00	-	100.00
Beijing Jinyu Energy-Saving Materials & Technology (Dachang) Co., Ltd.	Hebei	Manufacture and sale of building materials	17,000.00	-	100.00
Beijing Jiandu Design and Research Institute Co., Ltd.	Beijing	Design of modern building materials, etc.	6,000.00	-	100.00
Beijing Jinyu Aerated Concrete Co., Ltd.	Beijing	Manufacture and sale of aerated concrete products etc.	10,000.00	-	70.00
Beijing BBMG Business and Trading Co., Ltd.	Beijing	Wholesale of building materials and metal materials etc.	66,000.00	-	100.00
BBMG Mortar Co., Ltd.	Beijing	Manufacture and sale of dry and mixed mortar	54,610.52	-	100.00
BBMG (Dachang) Modern Industrial Park Management Co., Ltd.	Hebei	Manufacture of various modern building materials etc.	98,528.00	-	100.00
Beijing BBMG Tiantan Furniture Co., Ltd. (Note 1)	Beijing	Manufacture, processing, and sale of furniture etc.	40,818.28	-	98.59
BBMG Residential Industrialization (Tangshan) Co., Ltd.	Hebei	Manufacture and sale of building materials	35,000.00	-	100.00

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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 Building Materials Academy Co., Ltd.	Beijing	Development, manufacture and sale of building materials, etc.	24,385.00	100.00	–
Beijing Building Materials Testing Academy Co., Ltd. (Note 1)	Beijing	Testing for building material quality, etc.	12,380.75	39.43	51.48
Beijing BBMG Cement Environmental Protection Technology Co., Ltd.	Beijing	Construction general contracting and ecofriendly technology development, etc.	1,000.00	–	100.00
Beijing Concrete World Magazine Co., Ltd.	Beijing	Releasing and publishing of Concrete World Magazine; advertising design and production	30.00	–	100.00
Beijing Dacheng Changrun Properties Limited	Beijing	Property development and operation	1,000.00	–	91.00
Beijing BBMG Konggang Development Co., Ltd.	Beijing	Property development	10,000.00	–	95.00
BBMG Xingda Real Estate Development Co., Ltd.	Beijing	Property development and operation	109,500.00	–	100.00
Chongqing BBMG Dacheng Property Development Co., Ltd.	Chongqing	Property development and consultation, etc.	20,000.00	–	100.00
Chongqing BBMG Dacheng Shanshui Real Estate Co., Ltd.	Chongqing	Property development and sale of housing, etc.	49,250.00	–	100.00
Chongqing Jinyu Dacheng New Metropolis Co., Ltd.	Chongqing	Real estate development; sale of commercial housing, etc.	150,000.00	–	100.00
Chengdu BBMG Dacheng Property Development Co., Ltd.	Sichuan	Property development, etc.	75,500.00	–	100.00
Chengdu BBMG Yuehuang Real Estate Co., Ltd.	Sichuan	Property development	5,000.00	–	100.00
Shanghai BBMG Dacheng Property Development Co., Ltd.	Shanghai	Property development and operation, etc.	100,000.00	–	100.00

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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 Jinghua Property Development Hefei Co., Ltd.	Anhui	Property development	50,000.00	–	100.00
Ningbo BBMG Dacheng Property Development Co., Ltd.	Zhejiang	Property development and operation, etc.	5,000.00	–	100.00
BBMG Jingyuan (Ningbo) Real Estate Development Co., Ltd.	Zhejiang	Property development	20,000.00	–	100.00
Beijing Longyuan Real Estate Development Co., Ltd.	Beijing	Property development and operation	116,100.00	–	100.00
Qingdao Jinyu Chuangzhi Real Estate Development Co., Ltd.	Shandong	Property development and operation	118,800.00	–	100.00
Tianjin Jinyu Jinli Real Estate Development Co., Ltd.	Tianjin	Property development and operation	5,000.00	–	100.00
BBMG (Tianjin) Property Development Co., Ltd.	Tianjin	Property development and sale, etc.	80,000.00	–	100.00
Jinyu Ligang (Tianjin) Property Development Co., Ltd.	Tianjin	Property development and operation, etc.	39,000.00	–	100.00
BBMG Jindian (Tianjin) Property Development Co., Ltd.	Tianjin	Property development and operation	257,800.00	–	100.00
Chengdu BBMG Jingfeng Real Estate Development Co., Ltd.	Sichuan	Property development	5,000.00	–	100.00
Chengdu BBMG Wancheng Real Estate Development Co., Ltd.	Sichuan	Property development	5,000.00	–	100.00
BBMG Jiahua Nanjing Real Estate Co., Ltd.	Jiangsu	Property development	50,000.00	–	100.00
BBMG Real Estate Development (Hefei) Co., Ltd.	Anhui	Property development and operation	150,000.00	–	100.00
BBMG Properties (Anhui) Co., Ltd.	Anhui	Property development and property management, etc.	81,500.00	–	100.00
Hefei BBMG Jingyun Real Estate Development Co., Ltd.	Anhui	Property development and operation	5,000.00	–	100.00

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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 Ershiyi Stations Testing Technology Co., Ltd.	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
BBMG (Changzhou) Real Estate Development Co., Ltd. (金隅(常州)房地產開發有限公司)	Jiangsu	Property development and operation	10,000.00	–	100.00
BBMG Yuechao (Hangzhou) Real Estate Development Co., Ltd. (金隅悅潮(杭州)房地產開發有限公司)	Zhejiang	Property development and operation	58,418.15	–	100.00
BBMG Technology Innovation Co., Ltd. (北京金隅科技創新有限公司)	Beijing	Business service industry	1,000.00	–	100.00
Ningbo Yinzhou BBMG Property Management Co., Ltd. (寧波鄞州金隅物業管理有限責任公司)	Zhejiang	Real estate	100.00	–	100.00
Beijing BBMG Finance Lease Co., Ltd. (北京金隅融資租賃有限公司)	Beijing	Financial leasing	80,000.00	100.00	–
BBMG Tianjian Intelligent Logistics (Tianjin) Co., Ltd. (金隅天津智慧物流(天津)有限公司)	Tianjin	Road transportation	5,000.00	–	100.00
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

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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 Jincheng Property Investment Co., Ltd. (北京金程置業有限公司)	Beijing	Property development and operation	1,000.00	–	100.00
Hebei Green Building Materials Product Quality Testing Co., Ltd. (河北省綠色建材產品品質檢測有限公司)	Hebei	Professional technical services industry	1,000.00	–	100.00
BBMG (Hangzhou) Property Development Co., Ltd.	Zhejiang	Property development and operation	158,600.00	–	100.00
BBMG Jiaying Nanjing Real Estate Development Co., Ltd.	Jiangsu	Property development	10,000.00	–	70.00
Beijing BBMG Dongcheng Real Estate Co., Ltd.	Beijing	Property development	100,000.00	–	90.50
Qingdao BBMG Yangguang Property Development Co., Ltd.	Shandong	Property development	60,000.00	–	100.00
BBMG China Railway Noble (Hangzhou) Property Development Co., Ltd.	Zhejiang	Property development and operation, etc.	50,000.00	–	51.00
Shanghai BBMG Jingcheng Property Development Co., Ltd.	Shanghai	Property development	27,200.00	–	100.00
BBMG GEM Real Estate Development Co., Ltd.	Beijing	Property development and operation, etc.	650,000.00	100.00	–
Beijing Jinyu Chaoxin Tiandi Property Investment Co., Ltd.	Beijing	Property development and property management, etc.	1,000.00	–	100.00
Beijing BBMG Changyang GEM Real Estate Development Co., Ltd.	Beijing	Property development and operation, etc.	237,254.90	–	100.00
Beijing BBMG Property Investment Co., Ltd.	Beijing	Sale of self-developed commercial housing	5,000.00	–	70.00
Inner Mongolia BBMG Property Investment Co., Ltd.	Inner Mongolia	Property development and operation, etc.	20,000.00	–	100.00
Tangshan BBMG Julong Property Development Co., Ltd.	Hebei	Property development and operation, etc.	5,000.00	–	80.00

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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 Chengyuan Property Development Co., Ltd.	Beijing	Property development and sale of commodity housing, etc.	45,944.06	–	100.00
Beijing Xisanqi High Tech New Building Material City Management and Development Co., Ltd.	Beijing	Property rental and development, etc.	6,129.76	–	100.00
Beijing BBMG Innovation and Technology Incubator Co., Ltd.	Beijing	Property management and technology enterprise incubating	170,000.00	100.00	–
BBMG Investment Property Management Co., Ltd.	Beijing	Hotel management	177,000.00	100.00	–
Beijing BBMG Culture Technology Development Co., Ltd.	Beijing	Technology development, transfer, consulting, service	3,000.00	–	100.00
BBMG Commercial Management Co., Ltd.	Beijing	Business management	1,000.00	–	100.00
BBMG Property Management Co., Ltd.	Beijing	Property management	5,000.00	–	100.00
Beijing Jinhaiyan Property Management Co., Ltd.	Beijing	Property management	1,370.00	–	100.00
Beijing Keshi Hardware Co., Ltd.	Beijing	Manufacture of new products such as construction hardware	30,000.00	–	100.00
BBMG Fengshan Hot Spring Resort Co., Ltd.	Beijing	Accommodation and catering services, etc.	36,818.91	–	100.00
Beijing Jianji Asset Management Co., Ltd.	Beijing	Self-owned property rental, property management, etc.	78,732.78	–	100.00
Beijing BBMG Xinggang Technology Development Co., Ltd.	Beijing	Manufacture and sales of aerated concrete panel	27,480.00	55.68	–
Beijing Woodworking Factory Co., Ltd.	Beijing	Manufacture and sale of wood-based panels, etc.	50,443.00	100.00	–
BBMG Finance Co., Ltd.	Beijing	Operation of finance business and financing advisory business, etc.	300,000.00 (USD)	100.00	–
BBMG Finance Lease Co., Ltd.	Tianjin	Finance lease business	10,000.00	60.00	40.00

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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 Tongda Refractory Engineering Technology Co., Ltd.	Beijing	R&D and manufacture of various new refractory materials, etc.	5,000.00	–	100.00
Gongyi Tongda Zhongyuan Refractory Technology Co., Ltd.	Henan	Manufacture and distribution of refractory materials, etc.	4,000.00	–	100.00
Yangquan BBMG Tongda Fire-resistant Materials Co., Ltd.	Shanxi	Manufacture and sale of refractory ceramic products, etc.	13,500.00	–	100.00
Cheng'an BBMG Taihang Concrete Co., Ltd.	Hebei	Manufacture and sale of commodity concrete	2,500.00	–	100.00
Daming BBMG Taihang Concrete Co., Ltd.	Hebei	Sales of concrete and mortar	1,000.00	–	100.00
Guantao BBMG Yuzhen Concrete Co., Ltd.	Hebei	Sales of prefabricated part	1,000.00	–	100.00
Jinyu Han Chao (Hangzhou) Real Estate Development Co., Ltd.	Zhejiang	Property development and operation, etc.	5,000.00	–	100.00
Beijing Yucheng Real Estate Co., Ltd.	Beijing	Property development and operation, etc.	20,000.00	–	100.00
Beijing Jianyuan Hotel Co., Ltd.	Beijing	Accommodation and catering services	1,000.53	–	100.00
BBMG Badaling Hot Spring Resort Co., Ltd.	Beijing	Room rental	65,420.00	–	100.00
Beijing Chengyuan Real Estate Co., Ltd.	Beijing	Property development	10,000.00	–	100.00
Tangshan Jinyu Tiancai Pipe Technology Co., Ltd.	Tianjin	Manufacturing and sales of steel and iron pipes	50,000.00	–	100.00
Huanbohai (Tianjin) International Economic and Trade Co., Ltd.	Tianjin	Import or export of goods or technologies	20,000.00	–	100.00
Tianjin Jinyu Jinchen Real Estate Development Co., Ltd.	Tianjin	Property development and operation, etc.	50,000.00	–	100.00
Beijing BBMG Wangjing Real Estate Co., Ltd.	Beijing	Property management	5,000.00	–	100.00
Beijing BBMG Hotel Management Co., Ltd.	Beijing	Hotel management	1,000.00	–	100.00
Chengde BBMG Real Estate Development Co., Ltd.	Hebei	Property development and operation	5,000.00	–	100.00

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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>					
Ningbo BBMG Jingsheng Real Estate Development Co., Ltd.	Zhejiang	Property development and operation, etc.	96,000.00	–	100.00
Shaanxi Jinyu Aerated Assembly Parts Co., Ltd. (陝西金隅加氣裝配式部品有限公司)	Shaanxi	Manufacture and sale of aerated concrete products, etc.	21,628.93	–	100.00
Beijing Yutai Real Estate Development Co., Ltd. (北京隅泰房地產開發有限公司)	Beijing	Property development and operation, etc.	148,668.00	–	60.00
Nanjing Jinjiarui Real Estate Development Co., Ltd. (南京金嘉瑞房地產開發有限公司)	Jiangsu	Property development and operation, etc.	10,000.00	–	34.00
Zanhuang BBMG Cement Co., Ltd.	Hebei	Manufacture and sales of cement and clinker	70,000.00	–	100.00
BBMG Cement Trading Co., Ltd.	Beijing	Wholesale 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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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.	Tianjin	Concrete project construction and manufacturing, etc.	39,590.51	–	100.00
Beijing BBMG Xingfa Science and Technology Co., Ltd.	Beijing	Manufacture of cement and clinker, etc.	131,500.00	95.70	–
Jinyu Jingti (Beijing) Sports Culture Co., Ltd.	Beijing	Project operation of sports	300.00	66.67	33.33
Beijing Doors and Windows Co., Ltd.	Beijing	Manufacture and process of plastics-steel doors and windows	100.00	100.00	–
Guantao BBMG Taihang Concrete Co., Ltd.	Hebei	Manufacture and sale of commodity concrete	4,000.00	–	100.00
Jidong Development Group Co., Ltd.	Hebei	Building materials industry	247,950.41	55.00	–
Tangshan Jidong Cement Co., Ltd. (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.	Hebei	Aggregate	25,000.00	–	100.00
Tangshan High Voltage Porcelain Insulator Co., Ltd.	Hebei	Manufacture and sales of high voltage porcelain insulator	38,000.00	–	100.00
Hebei Building Material Industry Design & Research Institution	Hebei	Building materials industry engineering design	4,500.00	–	100.00
Tangshan Qixin Cement Industry Museum	Hebei	Cultural relic collection and exhibition to promote national culture, etc.	15,624.00	–	100.00
Tangshan Qixin Jiyi Property Services Co., Ltd.	Hebei	Property service, retail of daily necessities, etc.	500.00	–	100.00
Tangshan Jidong Equipment & Engineering Co., Ltd. (Note 1)	Hebei	Machinery equipment and spare parts and civil installation	22,700.00	–	30.00
Tangshan Jidong Development Machinery and Equipment Manufacturing Co., Ltd.	Hebei	Manufacture and sales of machinery equipment and accessories	97,000.00	–	100.00

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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>					
Jinyu Rizhang Fan Energy-Conserving Technology (Hebei) Co., Ltd. (formerly known as Jidong Rizhang Energy-Conserving Fan Manufacture Co., Ltd.)	Hebei	State-owned enterprise (machinery manufacturing industry)	21,400.00	–	100.00
Tangshan Jidong Development Construction Technology Co., Ltd. (formerly known as Tangshan Jidong Development Yan Dong Construction Co., Ltd.)	Hebei	Construction industry	50,000.00	–	100.00
Jidong Development International Trading Co., Ltd.	Beijing	Import and export and bulk commodity trade	63,000.00	–	100.00
Jidong Development (HK) International Co., Ltd.	Hong Kong	Commodities trading	(USD)2,000.00	–	100.00
Tangshan Dunshi Real Estate Development Co., Ltd.	Hebei	Real estate	87,500.00	–	100.00
Tangshan Jidong Cement Nanhu Property Development Co., Ltd.	Hebei	Real estate	75,000.00	–	100.00
Tangshan Jidong Property Services Co., Ltd.	Hebei	Property service	300.00	–	100.00
Huahai Wind Power Development Co., Ltd.	Hebei	Wind power equipment manufacturing	15,000.00	–	100.00
Tangshan Qixin Building Materials Co., Ltd.	Hebei	Manufacture of cement and cement products	16,747.00	–	100.00
Tangshan Qixin Cement Co., Ltd.	Hebei	Manufacture of limestone, cement and cement clinker, etc.	23,544.00	–	100.00
Jidong Development Group Tangshan Xinxing Knitting Co., Ltd.	Hebei	Knitting processing	915.98	–	100.00
BBMG Jidong Caofeidian Supply Chain Management Co., Ltd.	Hebei	Supply chain management service	20,000.00	–	90.00
Tangshan Jinyu Dunshi Real Estate Development Co., Ltd.	Hebei	Real estate development and operation and property management services	35,000.00	–	100.00

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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 Jidong New Materials Investment Co., Ltd. (formerly known as China-Africa Jidong Building Materials Investment Co., Ltd.)	Hebei	Investment in building materials industry	29,830.00	–	100.00
Tianjin Building Materials Group (Holding) Co., Ltd.	Tianjin	Manufacture and sales of building and decorative materials, etc.	508,222.35	55.00	–
Tianjin Jianyu Energy Development Co., Ltd.	Tianjin	Building materials and commerce and logistics	20,000.00	–	51.00
Tianjin Tiancai Hengye Building Materials Co., Ltd.	Tianjin	Building materials and commerce and logistics	16,526.32	–	100.00
Huanbohai Jin'an (Tianjin) Group Holding Co., Ltd. (Note 1)	Tianjin	Property investment management	19,634.40	–	51.66
Tianjin Xincai Property Development Co., Ltd.	Tianjin	Real estate	32,549.81	–	100.00
Tianjin Cement Stone Mine Co., Ltd.	Tianjin	Cement and ready-mixed concrete	119,937.67	–	100.00
Tianjin Tiancai Xingchen Building Material Co., Ltd.	Tianjin	Property investment management	42,798.30	–	100.00
Tianjin Stone Mine Co., Ltd.	Tianjin	Property investment management	44,081.24	–	100.00
Beijing Bengpu Construction Machinery Operation Co., Ltd.	Beijing	Professional contracting; construction general contracting	6,450.00	–	100.00
Tianjin Binhai New Area Haoyu Investment Co., Ltd.	Tianjin	Real estate development and operation; property management	10,000.00	–	100.00
Beijing Mingzhu Glass Products Co., Ltd.	Beijing	Manufacturing, design and installment of glass products	50.00	–	100.00
Jinyu Concrete Group Co., Ltd. (formerly known as Jinyu Jidong (Tangshan) Concrete Environmental Protection Technology Group Co., Ltd.)	Hebei	Manufacturing and sale of concrete and concrete-based products	401,584.26	55.00	45.00

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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.	Beijing	Ready-mix commodity concrete, etc.	2,980.00	–	70.00
Beijing Hanxin Concrete Co., Ltd.	Beijing	Production of concrete, etc.	4,509.97	–	70.00
Beijing Hengkun Concrete Co., Ltd.	Beijing	Special goods transportation (in tank), etc.	15,000.00	–	100.00
Tianjin Jidong Haifeng Concrete Co., Ltd.	Tianjin	Wholesale and retail of commodity concrete, etc.	2,500.00	–	100.00
Tianjin Jidong Jinpujiye Concrete Co., Ltd.	Tianjin	Processing, sales and pouring of ready-mixed concrete, etc.	4,405.00	–	100.00
Jidong Concrete (Tianjin) Co., Ltd.	Tianjin	Production, processing and sale of ready-mixed concrete, etc.	6,520.00	–	100.00
Tangshan Jidong Cement Xujian Concrete Co., Ltd.	Hebei	Production of ready-mixed concrete, etc.	3,500.00	–	70.00
Tangshan Qianxi Jidong Concrete Co., Ltd.	Hebei	Production of commodity concrete, etc.	1,200.00	–	100.00
Tangshan Jidong Xingang Concrete Co., Ltd.	Hebei	Manufacture and sale of commodity concrete, etc.	3,360.00	–	100.00
Chengde Jidong Hengsheng Concrete Co., Ltd.	Hebei	Construction equipment templates lease, etc.	2,000.00	–	100.00
Hohhot Jidong Cement Concrete Co., Ltd.	Inner Mongolia	Special goods transportation (in tanks)	6,000.00	–	100.00
Shenyang Landing Concrete Co., Ltd.	Liaoning	Special goods transportation (tank, pump), etc.	2,008.00	–	100.00
Jilin Jidong Concrete Co., Ltd.	Jilin	Production of concrete components and products, etc.	2,000.00	–	100.00
Chongqing Jushi New Building Materials Co., Ltd.	Chongqing	Class III Qualification for ready mixed commodity concrete professional contracting, etc.	2,100.00	–	100.00
Xinxingzhan (Chongqing) Building Materials Co., Ltd.	Chongqing	Manufacture and sale of commodity concrete	7,563.07	–	100.00

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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>					
Jidong Cement (Chongqing) Concrete Co., Ltd.	Chongqing	Special goods transportation (in tank), etc.	3,000.00	–	100.00
Baoji Jidong Dunshi Concrete Co., Ltd.	Shaanxi	Ready-mixed concrete and pouring projects, etc.	6,000.00	–	100.00
Shenzhou Jidong Concrete Co., Ltd.	Hebei	Manufacture and sales of ready mixed commercial concrete, etc.	3,000.00	–	100.00
Datong Dunshi Concrete Co., Ltd.	Shanxi	Sales and transportation of ready mixed concrete, etc.	3,600.00	–	100.00
Datong Jinlong Commodity Concrete Co., Ltd.	Shanxi	Sales and transportation of ready mixed concrete, etc.	3,000.00	–	100.00
Changchun Jidong Cement & Concrete Co., Ltd.	Jilin	Production of concrete, etc.	3,000.00	–	100.00
Huanghua BBMG Jidong Concrete Co., Ltd.	Hebei	Sales and transportation of ready mixed concrete, etc.	2,500.00	–	100.00
Cangzhou Lingang BBMG Jidong Concrete Co., Ltd.	Hebei	Sales and transportation of ready mixed concrete, etc.	2,500.00	–	100.00
Shijiazhuang BBMG Concrete Co., Ltd.	Hebei	Sales and transportation of ready mixed concrete, etc.	20,000.00	–	100.00
Tianjin Binhai BBMG Concrete Co., Ltd.	Tianjin	Manufacturing and sale of cement based products, etc.	12,000.00	–	100.00
Jiayu Shangpin Property Management (Tianjin) Co., Ltd.	Tianjin	Property management, etc.	1,000.00	–	100.00
Hebei BBMG Dingxin Cement Co., Ltd.	Hebei	Manufacture and sales of cement and clinker, etc.	131,700.00	–	100.00
Jinyu Thermal Processing Tangshan Co., Ltd.	Hebei	Ferrous metal casting and sales of metal structure, etc.	39,125.00	–	100.00
Beijing BBMG Decoration Engineering Co., Ltd. (北京金隅裝飾工程有限公司)	Beijing	Construction and design of construction work and sales of building decoration materials, etc.	5,882.35	–	100.00

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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 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.	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	Eco-friendly technology development, technical services, technical consultation; solid waste treatment, etc.	37,000.00	–	100.00
Shaanxi Qinhan Hengsheng New Building Materials Technology Co., Ltd. (陝西秦漢恆盛新型建材科技有限責任公司)	Shaanxi	Non-metallic mineral products industry	10,000.00	–	51.00
Zhejiang Jinyu Hangjia Green Building Technology Co., Ltd. (浙江金隅杭加綠建科技有限公司)	Zhejiang	Non-metallic mineral products industry	60,000.00	–	53.93
Zhejiang Hangjia Longyi Energy-Saving Technology Co., Ltd. (浙江杭加龍一節能科技有限公司)	Zhejiang	Science and technology promotion and application services industry	1,000.00	–	100.00

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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>					
Sichuan Hangjia Kunzheng New Materials Co., Ltd. (四川杭加坤正新型材料有限公司)	Sichuan	Non-metallic mineral products industry	1,000.00	–	70.00
Sichuan Hangjia Construction Engineering Co., Ltd. (四川杭加建築工程有限公司)	Chengdu	Building industry	1,000.00	–	100.00
Anhui Hangjia Building Energy-Saving New Materials Co., Ltd. (安徽杭加建築節能新材料有限公司)	Anhui	Non-metallic mineral products industry	6,000.00	–	100.00
Anhui Hangjia Construction Engineering Co., Ltd. (安徽杭加建築工程有限公司)	Anhui	Building industry	1,000.00	–	100.00
Sichuan Hangjia Hanyu Building Energy-Saving New Materials Co., Ltd. (四川杭加漢馭建築節能新材料有限公司)	Sichuan	Non-metallic mineral products industry	5,000.00	–	80.00
Fujian Hangjia Weilian Building Energy-Saving New Materials Co., Ltd. (福建杭加葳聯建築節能新材料有限公司)	Fujian	Other manufacturing industries	6,000.00	–	70.00
Guangyuan Hangjia Building Energy-Saving New Materials Co., Ltd. (廣元杭加建築節能新材料有限公司)	Sichuan	Non-metallic mineral products industry	4,000.00	–	100.00
Guangyuan Hangjia Mining Co., Ltd. (廣元杭加礦業有限公司)	Sichuan	Non-metallic mining and dressing industry	3,000.00	–	100.00
Guangyuan Hangjia Zetong Calcium Industry Co., Ltd. (廣元杭加澤通鈣業有限公司)	Sichuan	Non-metallic mineral products industry	3,000.00	–	100.00
Hangjia (Guangdong) Building Energy-Saving New Materials Co., Ltd. (杭加(廣東)建築節能新材料有限公司)	Guangdong	Non-metallic mineral products industry	5,000.00	–	100.00
Hangjia (Hubei) Building Energy-Saving New Materials Co., Ltd. (杭加(湖北)建築節能新材料有限公司)	Hubei	Non-metallic mineral products industry	5,000.00	–	90.00

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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>					
Zhejiang Jinyu Hangjia Green Building Decoration Co., Ltd. (浙江金隅杭加綠建築裝飾有限公司)	Zhejiang	Building decoration, renovation, and other construction industries	2,000.00	–	100.00
Hunan Hangjia Building Energy-Saving New Materials Co., Ltd. (湖南杭加建築節能新材料有限公司)	Hubei	Non-metallic mineral products industry	5,000.00	–	100.00
Kunming Jiading Boshi New Materials Technology Co., Ltd. (昆明嘉鼎博實新材料科技有限公司)	Yunnan	Other manufacturing industries	5,000.00	–	70.00
Leshan Hangjia Energy-Saving New Materials Co., Ltd. (樂山杭加節能新材料有限公司)	Sichuan	Non-metallic mineral products industry	6,000.00	–	100.00
BBMG TUS Technology Incubator Co., Ltd.	Beijing	Science and technology promotion and application services industry	800.00	–	75.00
Chongqing Xinwei Renewable Resources Co., Ltd. (重慶欣薇再生資源有限公司)	Chongqing	Ecological protection and environmental governance industry	1,000.00	–	51.00
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	Professional technical services industry	2,928.99	–	100.00
Tianjin Longda Health Consulting Services Co., Ltd. (天津市龍達健康諮詢服務有限公司)	Tianjin	Business services industry	5,257.08	–	100.00

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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 under common control					
Beijing Building Decoration and Design Engineering Co., Ltd.	Beijing	Design of projects' decoration and furniture decoration, etc.	20,000.00	–	100.00
Beijing BBMG Doudian Technology Corporate Management Co., Ltd.	Beijing	Manufacture of energy-saving and insulation building materials, etc.	15,037.66	–	100.00
Beijing BBMG Property Development Group Co., Ltd.	Beijing	Property development and operation	1,371,500.00	100.00	–
Haikou Dacheng Property Investment Co., Ltd.	Hainan	Property development, etc.	1,600.00	–	100.00
BBMG Dacheng Property Management Co., Ltd.	Beijing	Property management	1,000.00	–	100.00
BBMG Hongye Ecological Science and Technology Co., Ltd.	Beijing	Rental and property management, etc.	200.00	–	100.00
BBMG Hong Kong Limited	Hong Kong	Rental of properties held	(HK\$) 100.00	100.00	–
Beijing Yanshui Asset Management Co., Ltd.	Beijing	Production of concrete	6,266.85	100.00	–
Beijing BBMG Tongda Fire-resistant Technology Co., Ltd.	Beijing	R&D and manufacture of various new refractory materials, etc.	28,517.14	100.00	–
Jidong Cement Tongchuan Co., Ltd.	Shaanxi	Manufacturing and sale of cement and cement-based products	130,000.00	–	100.00

Note 1: Among the subsidiaries of the Group, Beijing BBMG Tiantan Furniture Co., Ltd., 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 (有限责任公司).

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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in the subsidiaries *(continued)*

Subsidiaries with significant minority interests are as follows:

January to June 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 period
Tianjin Building Materials Group (Holding) Co., Ltd.	45%	(124,611,693.33)	9,491,268.96	4,181,509,958.56
Tangshan Jidong Cement Co., Ltd.	46%	(473,370,725.31)	–	15,525,599,640.49

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%	(144,184,308.75)	10,961,268.96	4,328,597,508.08
Tangshan Jidong Cement Co., Ltd.	46%	(982,358,924.69)	223,936,581.15	16,051,474,362.17

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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:

30 June 2024

	Tianjin Building Materials Group (Holding) Co., Ltd.	Tangshan Jidong Cement Co., Ltd.
Current assets	10,924,911,585.96	14,493,574,312.58
Non-current assets	<u>11,141,455,729.90</u>	<u>47,960,858,735.00</u>
Total assets	<u>22,066,367,315.86</u>	<u>62,454,433,047.58</u>
Current liabilities	12,301,987,711.34	15,166,729,259.19
Non-current liabilities	<u>1,692,177,515.11</u>	<u>15,672,768,217.24</u>
Total liabilities	<u>13,994,165,226.45</u>	<u>30,839,497,476.43</u>
Operating revenue	5,199,557,430.88	11,208,442,984.90
Net loss	(426,855,954.29)	(966,877,950.65)
Total comprehensive income	(426,855,954.29)	(966,877,950.65)
Net cash flows (used in)/generated from operating activities	(446,524,309.77)	832,655,265.41

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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: *(continued)*

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 loss	(345,223,860.02)	(1,896,286,862.00)
Total comprehensive income	(345,223,860.02)	(1,983,905,145.70)
Net cash flows (used in)/generated from operating activities	(127,515,172.42)	2,989,759,802.11

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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% 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 period, 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 period, 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% equity in Beijing Jinyu Aerated Concrete Co., Ltd. (hereinafter referred to as "Jinyu Aerated") and its 51% 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 period, 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 RMB121,221,694.42 at the consolidation level.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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.	Dachang County	Production of mineral wool acoustic board, etc.	(USD) 54,520	50.00	–
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	Baoji	Manufacture and sales of cement and clinker, etc.	489,875.00	–	48.11
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	Xianyang	Manufacture and sales of cement and clinker, etc.	458,960.00	–	50.00
Tangshan Caofeidian Dunshi New Building Material Co., Ltd.	Tangshan	Manufacture and sales of slag fine powder and by-product	200,000.00	–	50.00
Anshan Jidong Cement Co., Ltd.	Anshan	Manufacture and sales of cement and clinker, etc.	300,000.00	–	50.00
Cross Point Trading 274 (Pty) Ltd (RF)	South Africa	Investment in building materials industry, etc.	(ZAR) 300,000	–	56.10
Hebei Xiongan Zhitong Technology Co., Ltd.	Baoding	New material technology promotion service and concrete technology development, etc.	20,000.00	–	51.00
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

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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					
Zehnder (China) Indoor Climate Co., Ltd.	Beijing	Production of radiators, etc.	(USD) 27,500	26.73	–
OCV Reinforcements (Beijing) Co., Ltd.	Beijing	Complete non-standard control of concrete and pumping	276,003.00	20.00	–
Beijing Sinobaide Technology Co., Ltd.	Beijing	Design and production of equipment	10,000.00	–	23.00
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	Chengde	Technology research and testing for comprehensive utilization of solid waste, etc.	53,739.00	–	44.18
Tangshan Conch Profiles Co., Ltd.	Tangshan	Manufacture and sales of architectural profiles	160,000.00	40.00	–
Beijing Chenyu Real Estate Development Co., Ltd.	Beijing	Property development and operation, etc.	5,500,000.00	–	49.00
Toto Machinery (Beijing) Company Limited	Beijing	Production of sanitary ceramics, etc.	(USD) 24,000	20.00	–
Zhongfang Huarui (Tangshan) Real Estate Co., Ltd.	Tangshan	Property development and operation, etc.	10,000.00	–	40.00
Jidong Cement Fufeng Transportation Co., Ltd.	Baoji	Automobile transportation, etc.	16,000.00	–	23.75
Jilin Changjitu Investment Co., Ltd.	Jilin	Service industry, etc.	500,000.00	–	30.00
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	Tianjin	Undertaking the construction of various types of projects, etc.	100,000.00	–	30.00
Tianjin Yaopi Glass Co., Ltd.	Tianjin	Manufacture and sale of various types of plate glass, etc.	736,166.00	–	22.75
Beijing Innovation Industry Investment Co., Ltd.	Beijing	Investment management, asset management, etc.	2,000,000.00	10.00	–
Liaoning Yunding Cement Group Co., Ltd.	Shenyang	Production and sales of cement clinker	32,990.00	–	2.49
Nanjing Huayu Real Estate Development Co., Ltd. (南京緯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
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

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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>					
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.	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. (南京鐸隅裝飾工程有限公司)	Nanjing	Licensed items: residential interior decoration; building 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	Wuhan	Sales of general merchandise and daily necessities	6,287,288.00	10.00	–

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VII. INTERESTS IN OTHER ENTITIES *(continued)*

3. Interests in joint ventures and associates *(continued)*

The Group adopts the equity method for interests in joint ventures and associates.

The following table sets forth the consolidated financial information on joint ventures and associates which are not individually significant to the Group:

	January to June 2024	2023
Joint ventures		
Total carrying amount of investments	1,601,448,958.71	1,698,793,369.10
Total amount calculated based on shareholding		
Net profit	7,344,313.39	97,242,296.86
Total comprehensive income	8,173,176.79	72,254,115.56
Associates		
Total carrying amount of investments	7,571,581,311.63	7,489,900,649.51
Total amount calculated based on shareholding		
Net profit/(loss)	128,263,835.11	(52,116,947.90)
Total comprehensive income	128,263,835.11	(52,116,947.90)
Total carrying amount of long-term equity investments	9,173,030,270.34	9,188,694,018.61
Total investment gains of long-term equity investments	135,608,148.50	45,125,348.96
Total comprehensive income of long-term equity investments	136,437,011.90	20,137,167.66

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS

1. Financial instruments by category

As at 30 June 2024, financial assets at fair value through profit or loss amounted to RMB1,935,190,368.79 (31 December 2023: RMB919,490,604.26) in aggregate, primarily included in financial assets held for trading and other non-current financial assets; financial assets at fair value through other comprehensive income amounted to RMB1,694,418,196.46 (31 December 2023: RMB1,412,907,317.25) in aggregate, primarily included in financing receivables and investments in other equity instruments; financial assets at amortised costs amounted to RMB37,660,638,746.32 (31 December 2023: RMB34,305,986,925.64) in aggregate, primarily included in cash and bank balances, bills receivable, accounts receivable, other receivables, long-term receivables due within one year, debt investments due within one year, debt investments, long-term receivables; financial liabilities at amortised costs amounted to RMB143,464,250,941.87 (31 December 2023: RMB135,752,899,242.96) in aggregate, primarily included in short-term loans, bills payable, accounts payable, other payables, non-current liabilities due within one year, long-term loans, bonds payable, long-term payables, and lease liabilities.

2. 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. Risks related to these financial instruments and the Group's risk management policies are described as follows.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who request to trade on credit terms are subject to credit verification procedures. In addition, balances of accounts receivable are monitored on an ongoing basis to ensure that the Group's exposure to bad debt is not significant. For transactions that are not settled in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Department of Credit Control of the Group.

As the counterparties of cash and bank balances and bank acceptance bills receivable are 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 Group is also exposed to credit risk through the granting of financial guarantees, further details of which are disclosed in Note XI. 2. Contingencies.

The maximum credit risk exposure of the Group on each balance sheet date is the total amount charged to customers less the amount after deducing impairment provision.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

2. Financial instruments risks *(continued)*

Credit risk (continued)

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's accounts receivable are widely dispersed in different sectors and industries. The Group does not hold any collateral or other credit enhancements over the balances of accounts receivable.

Criteria for judging significant increase in credit risk

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each balance sheet date. The Group determines the significant increase in credit risk mainly based on the criteria that if there are any significant changes in one or more of the following indicators: the material adverse changes in the business environment, internal and external credit rating, actual or expected operating results of the debtor.

Definition of credit-impaired asset

The primary criterion of the Group to determine credit impairment is the overdue period exceeding 180 days. However, in certain circumstances, if internal or external information indicates that the contract amount may not be fully recovered before taking into account any credit enhancements, the Group also considers it is credit-impaired.

The credit impairment on a financial asset may be caused by the combined effect of multiple events and may not be necessarily due to a single event.

The assessment of a significant increase in credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Group identifies the key economic indicators that affect the credit risk and ECL of various business types.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

2. Financial instruments risks *(continued)*

Liquidity risk

The Group's objective is to maintain a balance between continuity and flexibility of financing through the use of various financing methods, such as bank borrowings, perpetual bonds, bonds payable and short-term financing bonds payable.

The liquidity of the Group is primarily dependent on adequate cash inflows from operations to meet its debt obligations as they fall due and external financing to meet its committed future capital expenditure. The table below summarises the maturity analysis of financial liabilities based on the undiscounted contractual cash flows:

30 June 2024

	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Short-term loans	27,461,121,673.05	-	-	-	27,461,121,673.05
Bills payable	4,286,449,294.06	-	-	-	4,286,449,294.06
Accounts payable	19,280,074,623.25	-	-	-	19,280,074,623.25
Other payables	6,216,476,376.26	-	-	-	6,216,476,376.26
Long-term borrowings	10,894,998,579.69	30,353,718,108.49	54,322,131,687.88	17,183,201,913.31	112,754,050,289.37
Bonds payable	16,331,557,106.92	3,258,718,466.46	11,602,407,232.88	3,564,229,589.04	34,756,912,395.30
Lease liabilities	132,921,601.34	99,774,572.61	316,772,602.41	308,002,849.54	857,471,625.90
Long-term payables	98,586,356.80	120,075,140.35	139,905,459.99	53,886,415.69	412,453,372.83
Total	84,702,185,611.37	33,832,286,287.91	66,381,216,983.16	21,109,320,767.58	206,025,009,650.02

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

2. Financial instruments risks *(continued)*

Liquidity risk (continued)

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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

2. Financial instruments risks *(continued)*

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.

January to June 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	(29,255,739.58)	–	(29,255,739.58)

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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

2. Financial instruments risks *(continued)*

Market risk *(continued)*

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's exposure to foreign currency risk mainly arises from certain financial assets and financial liabilities held by the Group that are principally denominated in USD, HKD, ZAR, EUR and MNT.

The table below demonstrates the sensitivity analysis of foreign exchange risk that reflects the impact on net profit or loss and net other comprehensive income after tax when a possible change in the exchange rate of USD against RMB occurs, with all other variables held constant.

January to June 2024

	Increase/ (decrease) in exchange rate %	Increase/ (decrease) in net profit or los	Increase/ (decrease) in net other comprehensive income after tax	Increase/ (decrease) in total shareholders' equity
USD appreciation against RMB	1.00	2,407,368.80	–	2,407,368.80
HKD appreciation against RMB	1.00	1,290.75	4,529,025.34	4,530,316.09

2023

	Increase/ (decrease) in exchange rate %	Increase/ (decrease) in net profit or los	Increase/ (decrease) in net other comprehensive income after tax	Increase/ (decrease) in total shareholders' equity
USD appreciation against RMB	1.00	2,503,855.82	–	2,503,855.82
HKD appreciation against RMB	1.00	5,252.34	4,706,847.36	4,712,099.70

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

3. 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. As at 30 June 2024 and 31 December 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:

	30 June 2024	31 December 2023
Total liabilities	176,733,295,020.62	175,314,768,398.62
Total assets	270,457,917,850.60	269,679,139,215.48
Debt ratio	65.35%	65.01%

4. Hedging

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). 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 managing the industrial products held by the Group are the same as the corresponding delivery grades in the futures contract. The basic variables of the hedging instrument (futures contract) and the hedged item (standard parameters of the bulk commodities held by the Group) are all standard parameter prices. Through qualitative analysis, the Group determines that the ratio of the number of hedging instruments to the number of hedged items was 1:1. The ineffective portion of hedging mainly arose from the basis risk, the risk of changes in supply and demand in the spot or futures market, and other risks of uncertainties in the spot or futures market. The amount of ineffective hedges recognized during the period was not significant. The Group adopted fair value hedge for such hedging.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

4. Hedging *(continued)*

Fair value hedge (continued)

The time distribution and average price of the nominal amount of the hedging instruments are as follows:

January to June 2024

	Within 6 months
Nominal amount of copper futures	116,505,700.30
Average price of copper futures (Unit: RMB/ton)	77,670.47
Nominal amount of iron ore futures	266,191,428.87
Average price of iron ore futures (Unit: RMB/ton)	831.85

January to June 2023

	Within 6 months
Nominal amount of copper futures	317,287,146.70
Average price of copper futures (Unit: RMB/ton)	64,423.79
Nominal amount of iron ore futures	195,925,020.20
Average price of iron ore futures (Unit: RMB/ton)	753.56
Nominal amount of steel billet futures	80,916,560.00
Average price of steel billet futures (Unit: RMB/ton)	4,045.83

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

4. Hedging *(continued)*

Fair value hedge (continued)

Changes in the carrying amount and fair value of the hedging instruments are as follows:

January to June 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 period
		Assets	Liabilities		
		Commodity price risk – inventories	382,697,129.17		

January to June 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 period
		Assets	Liabilities		
		Commodity price risk – inventories	594,128,726.90		

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

4. Hedging *(continued)*

Fair value hedge (continued)

The carrying amount of hedged items and related adjustments are as follows:

January to June 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 period
	Assets	Assets		
Commodity price risk – inventories	368,525,942.41	-21,664,673.76	Inventories	–

January to June 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 period
	Assets	Assets		
Commodity price risk – inventories	567,387,707.88	7,895,228.46	Inventories	–

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

4. Hedging *(continued)*

Fair value hedge (continued)

The ineffective portion of hedging in the changes in fair value of hedging instruments is set out below:

January to June 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	–	–	–

January to June 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	(5,996,550.00)	–	–

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

5. 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	547,912,017.02	Not derecognised	Retained substantially all risks and rewards, including default risks associated
Endorsement of bills/ bill discounting	Bills receivable	4,048,130,342.55	Derecognised	Transferred substantially all risks and rewards
Factoring	Accounts receivable	197,625,062.51	Not derecognised	Retained substantially all risks and rewards, including default risks associated
Factoring	Accounts receivable	260,853,121.44	Derecognised	Transferred substantially all risks and rewards
Asset securitization	Accounts receivable	260,394,409.61	Derecognised	Transferred substantially all risks and rewards
Total		<u>5,314,914,953.13</u>		

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

5. Transfers of financial assets *(continued)*

As at 30 June 2024, 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
Accounts receivable	Factoring	260,853,121.44	–
Accounts receivable	Asset securitization	260,394,409.61	–
Total		521,247,531.05	–

Financial assets transferred but not yet fully derecognised

As at 30 June 2024, the Group endorsed bank acceptance bills and commercial acceptance bills with a carrying amount of RMB32,542,413.03 and RMB515,369,603.99 (31 December 2023: RMB72,991,177.23 and RMB207,745,893.41) to its suppliers for settlement of accounts payable. 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 loans 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 30 June 2024, the carrying amount of accounts payable settled and short-term loans secured by the Group through these financial assets amounted to RMB547,912,017.02 (31 December 2023: RMB280,737,070.64) in total.

Transferred financial assets fully derecognised but with continuing involvement

As at 30 June 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 RMB4,048,130,342.55 (31 December 2023: bank acceptance bills of RMB2,504,171,864.36, including the portion included in financing receivables). As at 30 June 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 (“Continuing Involvement”) if the relevant acceptance bank defaults. As the Group is of the opinion that the Group has transferred substantially all their risks and rewards, the Group has derecognised them and the carrying amount of the settled accounts payable associated therewith. The maximum exposure to loss from the Continuing Involvement and repurchase and the undiscounted cash flows equal to their carrying amounts. The Group is of the opinion that the fair value of the Continuing Involvement is insignificant.

From January to June 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 period.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

IX. DISCLOSURE OF FAIR VALUE

1. Assets and liabilities measured at fair value

January to June 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	18,393,100.00	1,441,511,767.16	–	1,459,904,867.16
Financing receivables	–	1,210,870,283.79	–	1,210,870,283.79
Other non-current financial assets	475,285,501.63	–	–	475,285,501.63
Investment in other equity instruments	292,210,012.60	–	191,337,900.07	483,547,912.67
Investment properties	–	1,223,358,428.44	39,935,629,557.67	41,158,987,986.11
Total	<u>785,888,614.23</u>	<u>3,875,740,479.39</u>	<u>40,126,967,457.74</u>	<u>44,788,596,551.36</u>

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	<u>842,665,023.69</u>	<u>2,500,612,625.70</u>	<u>39,674,827,316.03</u>	<u>43,018,104,965.42</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 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 30 June 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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

IX. DISCLOSURE OF FAIR VALUE *(continued)*

3. Level 2 fair value measurement

The Group has entered into derivative financial instrument contracts with various counterparties, mainly of which are financial institutions with high credit ratings. Derivative financial instruments, including foreign exchange forward contracts and interest rate swaps, are measured using valuation techniques similar to forward pricing and swap models and present value methods. The model covers multiple inputs observable in markets, including counterparty's credit quality, spot and forward rates and interest rate curves. The carrying value of foreign exchange forward contracts and interest rate swaps is the same as the fair value. As at 30 June 2024, 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.

The fair value of investment properties are 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 30 June 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
Business combinations not under common control	–	5,256,666.12
Acquisition for the period	–	23,373,880.59
Transfer from inventories/fixed assets/construction in progress	–	303,945,985.69
Disposal for the period	–	(105,866,927.66)
Others	–	(2,499,294.26)
Changes in fair value	<u>22,021,128.44</u>	<u>227,049,503.28</u>
Value as at 30 June 2024	<u>1,223,358,428.44</u>	<u>39,935,629,557.67</u>

Details of removal from investment properties are set out in Note V. 17.

From January to June 2024, there was no change between different fair value levels of investment properties of the Group.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

IX. DISCLOSURE OF FAIR VALUE *(continued)*

3. Level 2 fair value measurement *(continued)*

The following sets forth the valuation method and key inputs used for the valuation of fair value of the investment properties for January to June 2024:

Valuation method	Significant unobservable inputs	Range of variation
Income approach	Unit rental (RMB/sq.m./day)	0.45-11.97
	Return on investment within the lease term	2%-7%
	Return on investment beyond the lease term	2.5%-7.5%

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.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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:

January to June 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	-	-	-	(119,672.05)	1,000,000.00	-	191,337,900.07
Investment properties	39,484,369,743.91	303,945,985.69	(2,499,294.26)	227,049,503.28	-	28,630,546.71	(105,866,927.66)	39,935,629,557.67
Total	39,674,827,316.03	303,945,985.69	(2,499,294.26)	227,049,503.28	(119,672.05)	29,630,546.71	(105,866,927.66)	40,126,967,457.74

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

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent company

Name of parent company	Place of registration	Business nature	Registered capital RMB'000	Over the Company	
				Proportion of shareholding (%)	Proportion of votes (%)
Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司)	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	44.93	44.93

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.

4. Other related parties

Relationship with related parties	
Jidong Heidelberg (Shaanxi) Logistics Co., Ltd.	Subsidiary of a joint venture
Mamba Cement Company (Pty) Ltd (RF)	Subsidiary of a joint venture

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

5. Major transactions between the Group and related parties

(1) Transactions concerning goods and services with related parties

Purchase of goods and receipt of services from related parties

Contents of transactions		January to June 2024	January to June 2023
Transactions with joint ventures and associates			
Zehnder (China) Indoor Climate Co., Ltd.	Procurement of raw materials	252.26	4,946,574.29
Jidong Heidelberg (Shaanxi) Logistics Co., Ltd.	Receipt of services	450,843.52	2,261,476.35
Jidong Cement Fufeng Transportation Co., Ltd.	Receipt of services	965,492.94	1,472,985.60
Tangshan Conch Profiles Co., Ltd.	Procurement of raw materials	356,371.97	1,083,335.01
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	Purchase of goods	1,091,428.10	427,830.80
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	Receipt of services	2,275,151.68	56,603.77
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	Procurement of raw materials	5,059,545.41	–
Total		10,199,085.88	10,248,805.82

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

5. Major transactions between the Group and related parties *(continued)*

(1) Transactions concerning goods and services with related parties *(continued)*

Sale of goods and rendering of services to related parties

		January to June 2024	January to June 2023
Contents of transactions			
Transactions with joint ventures and associates			
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	Sale of goods/rendering of services	120,024,481.52	166,647,163.18
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	Sale of goods/rendering of services	114,064,164.29	153,676,774.44
Anshan Jidong Cement Co., Ltd.	Sale of goods/rendering of services	29,878,624.58	53,196,653.95
Tangshan Caofeidian Dunshi New Building Material Co., Ltd.	Rendering of services	9,807,246.29	2,274,124.27
Jidong Heidelberg (Shaanxi) Logistics Co., Ltd.	Sale of goods/rendering of services	2,278,653.10	1,592,359.87
Mamba Cement Company (Pty) Ltd (RF)	Sale of goods/rendering of services	3,581,595.70	750,670.74
Jidong Cement Fufeng Transportation Co., Ltd.	Sale of goods/rendering of services	468,329.70	245,680.89
Nanjing Huayu Real Estate Development Co., Ltd. (南京鐸隅房地產開發有限公司)	Sale of goods	2,226,213.33	63,630.99
OCV Reinforcements (Beijing) Co., Ltd.	Sale of goods/rendering of services	26,007.08	27,318.57
Dahongmen (Beijing) Construction Development Co., Ltd. (大紅門(北京)建設發展有限公司)	Rendering of services	9,402.65	3,537.74
STAR-USG Building Materials Co., Ltd.	Sale of goods/rendering of services	–	943.40
Toto Machinery (Beijing) Company Limited	Sale of goods	248,807.34	–
Nanjing Huayu Decoration Engineering Co., Ltd. (南京鐸隅裝飾工程有限公司)	Sale of goods	2,600,018.51	–
Total		285,213,544.09	378,478,858.04

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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

5. Major transactions between the Group and related parties *(continued)*

(2) Leases with related parties

As lessor

Name of the lessee	Category of leased assets	January to June	January to June
		2024	2023
		Rental income	Rental income
STAR-USG Building Materials Co., Ltd.	Building	5,962,199.34	4,552,105.81

As lessee

Name of the lessor	Category of leased assets	January to June	January to June
		2024	2023
		Leasing expenses	Leasing expenses
Easyhome New Retail Group Corporation Limited	Building	18,798,032.38	–
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	Building	142,857.12	142,857.12
		18,940,889.50	142,857.12

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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

5. Major transactions between the Group and related parties *(continued)*

(3) Guarantees received from/provided to related parties

Guarantees provided to related parties

January to June 2024

Guarantor	Guaranteed party	Amount guaranteed	Starting date	Maturity date	Completion of performance of guarantee or not
Beijing BBMG Real Estate Development Group Co., Ltd.	Beijing Zhongtai Jinjian Real Estate Development Co., Ltd. (北京中泰金建房地產開發 有限公司)	1,942,165.09	11 October 2022	10 October 2025	No
BBMG Corporation	Nanjing Huayu Real Estate Development Co., Ltd. (南京鐔隅房地 產開發有限公司)	377,236,600.00	21 March 2022	21 March 2025	No
Jidong Cement	Anshan Jidong Cement	5,000,000.00	10 July 2023	9 July 2024	No
Jidong Cement	Anshan Jidong Cement	10,000,000.00	27 October 2023	26 October 2024	No
Jidong Cement	Anshan Jidong Cement	25,000,000.00	27 November 2023	23 November 2024	No
Jidong Cement	Anshan Jidong Cement	15,000,000.00	15 December 2023	15 December 2024	No
Jidong Cement	Anshan Jidong Cement	20,000,000.00	27 May 2024	26 May 2025	No
Jidong Cement	Anshan Jidong Cement	5,000,000.00	28 June 2024	28 June 2025	No
Total		<u>459,178,765.09</u>			

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

5. Major transactions between the Group and related parties *(continued)*

(3) Guarantees received from/provided to related parties *(continued)*

Guarantees provided to related parties *(continued)*

January to June 2023

Guarantor	Guaranteed party	Amount guaranteed	Starting date	Maturity date	Completion of performance of guarantee or not
BBMG Corporation	Nanjing Huayu Real Estate Development Co., Ltd. (南京鉞隅房地產開發有 限公司)	651,325,000.00	21 March 2022	21 March 2025	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)	38,843,301.70	30 September 2022	30 September 2025	No
Jidong Cement	Anshan Jidong Cement	32,000,000.00	26 August 2022	25 August 2023	No
Jidong Cement	Anshan Jidong Cement	20,000,000.00	29 November 2022	29 November 2023	No
Jidong Cement	Anshan Jidong Cement	<u>15,000,000.00</u>	30 May 2023	29 May 2024	No
Total		<u>757,168,301.70</u>			

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

5. Major transactions between the Group and related parties *(continued)*

(4) Lending to/borrowing from related parties

Borrowings:

January to June 2024

	Amount of lending/ borrowing	Commencement date	Maturity date
Beijing State-owned Capital Operation and Management Company Limited	70,000,000.00	22 September 2023	22 September 2024
Beijing State-owned Capital Operation and Management Company Limited	20,550,000.00	20 October 2023	20 October 2024
Beijing State-owned Capital Operation and Management Company Limited	60,000,000.00	1 April 2024	1 April 2025
Beijing State-owned Capital Operation and Management Company Limited	110,000,000.00	28 June 2024	27 June 2025
Beijing State-owned Capital Operation and Management Company Limited	<u>300,760,000.00</u>	28 December 2023	26 December 2024
Total	<u>561,310,000.00</u>		

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

5. Major transactions between the Group and related parties *(continued)*

(4) Lending to/borrowing from related parties *(continued)*

Borrowings: (continued)

January to June 2023

	Amount of lending/ borrowing	Commencement date	Maturity date
Beijing State-owned Capital Operation and Management Company Limited	70,000,000.00	22 September 2022	22 September 2023
Beijing State-owned Capital Operation and Management Company Limited	20,550,000.00	20 October 2022	20 October 2023
Beijing State-owned Capital Operation and Management Company Limited	<u>300,760,000.00</u>	28 December 2022	26 December 2023
Total	<u>391,310,000.00</u>		

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

5. Major transactions between the Group and related parties *(continued)*

(4) Lending to/borrowing from related parties *(continued)*

Lending:

As at 30 June 2024, the balance of outstanding lending by the Group to Cross Point Trading 274 (Pty) Ltd (RF) amounted to RMB173,843,487.05, and the interest rate was 11.75% per annum (2023: RMB176,231,560.84 at an annual interest rate of 10.50%-11.75%).

As at 30 June 2024, the balance of outstanding lending by the Group to Beijing Yichang Real Estate Co., Ltd. (北京怡暢置業有限公司) amounted to RMB233,758,000.00, with an annual interest rate of 6.00% (2023: RMB233,758,000.00 at an annual interest rate of 6.00%).

As at 30 June 2024, the balance of outstanding lending by the Group to Nanjing Huayu Real Estate Development Co., Ltd. (南京鐸隅房地產開發有限公司) amounted to RMB301,916,913.00, with an annual interest rate of 6.00% (2023: RMB131,916,913.00 at an annual interest rate of 6.00%).

As at 30 June 2024, the balance of outstanding lending by the Group to Beijing Jinzhu Xingye Real Estate Development Co., Ltd. (北京金住興業房地產開發有限公司) amounted to RMB0.00, with an annual interest rate of 6.00% (2023: RMB648,956,000.00, with an annual interest rate of 6.00%).

As at 30 June 2024, the balance of outstanding lending by the Group to STAR-USG Building Materials Co., Ltd. amounted to RMB8,565,000.28 with an annual interest rate of 4.35% (2023: RMB23,891,360.00 at an annual interest rate of 4.35%).

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

5. Major transactions between the Group and related parties *(continued)*

(4) Lending to/borrowing from related parties *(continued)*

Interest income from lending

	January to June 2024	January to June 2023
Beijing Jinzhu Xingye Real Estate Development Co., Ltd. (北京金住興業房地產開發有限公司)	–	31,619,144.67
Cross Point Trading 274 (Pty) Ltd (RF)	6,117,095.14	11,331,608.98
Beijing Yichang Real Estate Co., Ltd. (北京怡暢置業有限公司)	6,689,301.26	7,908,812.33
Nanjing Huayu Real Estate Development Co., Ltd. (南京鐳隅房地產開發有限公司)	3,774,980.85	6,220,688.89
STAR-USG Building Materials Co., Ltd.	343,531.42	615,339.03
Total	16,924,908.67	57,695,593.90

Interest expenses from borrowing

	January to June 2024	January to June 2023
Beijing State-owned Capital Operation and Management Company Limited	7,755,799.07	8,749,987.30

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Balances of receivables from and payment to related parties

Financing receivables

	30 June 2024	31 December 2023
Due from associates		
Jidong Cement Fufeng Transportation Co., Ltd.	<u>105,076.50</u>	—
Due from joint ventures		
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	3,516,400.45	3,067,512.00
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	8,895,152.80	460,125.00
Anshan Jidong Cement Co., Ltd.	260,842.00	—
Tangshan Caofeidian Dunshi New Building Material Co., Ltd.	1,783,798.76	—
Jidong Heidelberg (Shaanxi) Logistics Co., Ltd.	<u>100,000.00</u>	—
Total	<u>14,661,270.51</u>	<u>3,527,637.00</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Balances of receivables from and payment to related parties *(continued)*

Accounts receivable

	30 June 2024		31 December 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.	20,901,608.80	12,367,869.72	19,035,359.92	9,670,350.74
Zhongfang Huarui (Tangshan) Real Estate Co., Ltd.	142,377.45	27,457.79	243,307.86	19,553.83
Nanjing Huayu Real Estate Development Co., Ltd. (南京鐸隅房地產開發有限公司)	10,819,846.62	314,746.58	8,485,506.10	193,307.39
Toto Machinery (Beijing) Company Limited	30,680.00	3,412.40	11,680.00	3,059.20
Hebei Jiaotou Green Building Materials Co., Ltd. (河北交投綠色建材有限公司)	588,000.00	54,720.00	557,973.96	53,518.96
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	9,345.00	467.25	12,975.00	648.75
Beijing Yichang Real Estate Co., Ltd. (北京怡暢置業有限公司)	-	-	1,991,829.00	99,591.45
Beijing Jinzhu Xingye Real Estate Development Co., Ltd. (北京金住興業房地產開發有限公司)	-	-	475,658.00	23,782.90
Beijing Sinobaide Technology Co., Ltd.	244,218.00	2,442.18	244,273.00	2,442.73
Jidong Cement Fufeng Transportation Co., Ltd.	442,534.53	-	-	-
Nanjing Huayu Decoration Engineering Co., Ltd. (南京鐸隅裝飾工程有限公司)	973,154.29	10,958.40	122,685.29	-
	34,151,764.69	12,782,074.32	31,181,248.13	10,066,255.95

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Balances of receivables from and payment to related parties *(continued)*

Accounts receivable (continued)

	30 June 2024		31 December 2023	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Due from joint ventures				
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	17,767,432.14	–	5,254,692.57	1,500.00
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	15,784,943.46	–	5,068,829.44	0.01
Tangshan Caofeidian Dunshi New Building Material Co., Ltd.	3,565,924.32	–	1,319,723.33	–
Anshan Jidong Cement Co., Ltd.	6,668,283.76	5,000.00	4,656,493.32	4,999.99
STAR-USG Building Materials Co., Ltd.	2,062,347.46	–	171,116.38	–
Mamba Cement Company (Pty) Ltd (RF)	1,975,555.97	1,572,154.93	2,907,549.10	1,553,374.61
Jidong Heidelberg (Shaanxi) Logistics Co., Ltd.	92,971.94	–	13,339.59	–
	<u>47,917,459.05</u>	<u>1,577,154.93</u>	<u>19,391,743.73</u>	<u>1,559,874.61</u>
Total	<u>82,069,223.74</u>	<u>14,359,229.25</u>	<u>50,572,991.86</u>	<u>11,626,130.56</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Balances of receivables from and payment to related parties *(continued)*

Prepayments

	30 June 2024		31 December 2023	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Prepayments to associates				
Zehnder (China) Indoor Climate Co., Ltd.	289.58	–	60,310.61	–
Easyhome New Retail Group Corporation Limited	1,258,875.23	–	–	–
	<u>1,259,164.81</u>	<u>–</u>	<u>60,310.61</u>	<u>–</u>
Prepayments to joint ventures				
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	1,450,211.34	–	549,822.26	–
Anshan Jidong Cement Co., Ltd.	188,968.81	–	–	–
Tangshan Caofeidian Dunshi New Building Material Co., Ltd.	723,586.04	–	413.24	–
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	7,151,568.32	–	8,144,712.44	2,884.80
STAR-USG Building Materials Co., Ltd.	40,883.35	–	–	–
	<u>9,555,217.86</u>	<u>–</u>	<u>8,694,947.94</u>	<u>2,884.80</u>
Total	<u>10,814,382.67</u>	<u>–</u>	<u>8,755,258.55</u>	<u>2,884.80</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Balances of receivables from and payment to related parties *(continued)*

Other receivables

	30 June 2024		31 December 2023	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Due from associates				
Beijing Chenyu Real Estate Development Co., Ltd.	114,299.97	–	59,216.70	–
Zhongfang Huarui (Tangshan) Real Estate Co., Ltd.	441,664,957.20	4,416,649.57	441,664,957.20	4,414,079.49
Beijing Xinyuan Concrete Co., Ltd.	–	–	97,732,500.43	97,642,638.43
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	10,474,191.25	36.57	10,474,154.68	–
Nanjing Huayu Real Estate Development Co., Ltd. (南京鐳隅房地產開發有限公司)	207,625,840.62	–	33,602,374.77	–
Tianjin Huanbohai Technology Development Co., Ltd. (天津市環渤海科技發展有限公司)	–	–	340,000.00	–
Beijing Zhongtai Jinjian Real Estate Development Co., Ltd. (北京中泰金建房地產開發有限公司)	2,338,258.69	–	1,116,323.91	–
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	188,030.20	1,880.30	211,085.20	2,110.85
Hebei Jiaotou Green Building Materials Co., Ltd. (河北交投綠色建材有限公司)	589,103.87	62,400.00	520,000.00	62,400.00
Beijing Sinobaide Technology Co., Ltd.	3,358,000.00	–	2,760,000.00	–
Jidong Cement Fufeng Transportation Co., Ltd.	1,068,750.00	–	–	–
Easyhome New Retail Group Corporation Limited	12,723,093.71	–	–	–
	680,144,525.51	4,480,966.44	588,480,612.89	102,121,228.77

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Balances of receivables from and payment to related parties *(continued)*

Other receivables (continued)

	30 June 2024		31 December 2023	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Due from joint ventures				
STAR-USG Building Materials Co., Ltd.	8,665,000.28	8,565,000.28	15,253,644.49	9,113,985.00
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	50,297,000.00	–	467,000.00	–
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	48,394,988.00	–	815,988.00	–
Anshan Jidong Cement Co., Ltd.	90,001,560.00	–	74,476.67	–
Tangshan Caofeidian Dunshi New Building Material Co., Ltd.	240,000.00	–	260,000.00	–
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	–
Hebei Xiongan Zhitong Technology Co., Ltd.	2,070,000.00	–	5,061,117.77	–
	<u>200,668,548.28</u>	<u>8,565,000.28</u>	<u>22,932,226.93</u>	<u>9,113,985.00</u>
Total	<u>880,813,073.79</u>	<u>13,045,966.72</u>	<u>611,412,839.82</u>	<u>111,235,213.77</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Balances of receivables from and payment to related parties *(continued)*

Long-term receivables

	30 June 2024		31 December 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. (南京鉉隅房地產開發有限公司)	-	-	132,158,760.67	1,319,169.13
Beijing Yichang Real Estate Co., Ltd. (北京怡暢置業有限公司)	-	-	269,173,768.77	2,337,580.00
	-	-	401,332,529.44	3,656,749.13
Due from joint ventures				
Cross Point Trading 274 (Pty) Ltd (RF)	130,584,862.59	-	135,445,645.15	-
Total	130,584,862.59	-	536,778,174.59	3,656,749.13

Non-current assets due within one year

	30 June 2024		31 December 2023	
	Balance of carrying amount	Provision for bad debts	Balance of carrying amount	Provision for bad debts
Due from joint ventures				
Nanjing Huayu Real Estate Development Co., Ltd. (南京鉉隅房地產開發有限公司)	276,264,428.11	2,337,580.00	-	-
Beijing Yichang Real Estate Co., Ltd. (北京怡暢置業有限公司)	132,136,774.52	1,319,169.13	-	-
Total	408,401,202.63	3,656,749.13	-	-

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Balances of receivables from and payment to related parties *(continued)*

Accounts payable

	30 June 2024	31 December 2023
Due to associates		
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	2,864,876.79	2,097,380.02
Beijing Sinobaide Technology Co., Ltd.	142,427.79	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.	–	96,000.00
Jidong Cement Fufeng Transportation Co., Ltd.	389,672.47	18,093.00
Tianjin Shengxiang Plastic Pipes Industry Co., Ltd.	185,326.14	185,326.14
Tangshan Conch Profiles Co., Ltd.	744,148.65	2,639,379.45
Tianjin Yaopi Glass Co., Ltd.	3,450.00	10,164.00
Easyhome New Retail Group Corporation Limited	245,663.96	–
	19,509,062.45	23,521,444.05
Due to joint ventures		
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	1,586,627.12	11,118.00
Anshan Jidong Cement Co., Ltd.	1,639,027.94	1,639,027.94
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	385,171.48	1,150.51
STAR-USG Building Materials Co., Ltd.	327,872.31	1,056,361.51
Jidong Heidelberg (Shaanxi) Logistics Co., Ltd.	12,904.71	–
	3,951,603.56	2,707,657.96
Total	23,460,666.01	26,229,102.01

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Balances of receivables from and payment to related parties *(continued)*

Contract liabilities

	30 June 2024	31 December 2023
Associates		
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	–	1,126.70
Toto Machinery (Beijing) Company Limited	10,080.00	162,932.55
Beijing Chenyu Real Estate Development Co., Ltd.	9,600.00	–
Jidong Cement Fufeng Transportation Co., Ltd.	–	20,915.49
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	33,346.19	33,346.19
Zehnder (China) Indoor Climate Co., Ltd.	129,400.00	–
Nanjing Huayu Decoration Engineering Co., Ltd. (南京鐸隅裝飾工程有限公司)	1,086,156.34	–
	1,268,582.53	218,320.93
Joint ventures		
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	6,099,500.78	7,488,211.87
Jidong Heidelberg (Fufeng) Cement Co., Ltd.	4,115,560.24	6,830,188.96
Jidong Heidelberg (Shaanxi) Logistics Co., Ltd.	450,860.35	–
BBMG TUS Technology Incubator Co., Ltd.	49,611.53	49,611.53
Anshan Jidong Cement Co., Ltd.	95,909.88	–
Mamba Cement Company (Pty) Ltd (RF)	462,463.42	–
	11,273,906.20	14,368,012.36
Total	12,542,488.73	14,586,333.29

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Balances of receivables from and payment to related parties *(continued)*

Advances from customers

	30 June 2024	31 December 2023
Toto Machinery (Beijing) Company Limited	1,314,285.68	1,314,285.68

Bills payable

	30 June 2024	31 December 2023
Tangshan Conch Profiles Co., Ltd.	100,000.00	–
STAR-USG Building Materials Co., Ltd.	–	1,646,300.00
Beijing Sinobaide Technology Co., Ltd.	578,000.00	57,100.00
Total	678,000.00	1,703,400.00

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Balances of receivables from and payment to related parties *(continued)*

Other payables

	30 June 2024	31 December 2023
Due to associates		
Beijing Chenyu Real Estate Development Co., Ltd.	416,500,000.00	416,500,000.00
Beijing Zhongtai Jinjian Real Estate Development Co., Ltd. (北京中泰金建房地產開發有限公司)	170,000,000.00	170,000,000.00
Tianjin Shengxiang Plastic Pipes Industry Co., Ltd.	4,779,823.95	1,386,323.95
OCV Reinforcements (Beijing) Co., Ltd.	134,200.00	134,200.00
Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	38,341.71	14,711.38
Hebei Ruisuo Solid Waste Engineering Technology Research Institute Co., Ltd.	10,000.00	10,000.00
Beijing Jinzhu Xingye Real Estate Development Co., Ltd. (北京金住興業房地產開發有限公司)	33,954.04	33,954.04
Hebei Jiaotou Green Building Materials Co., Ltd. (河北交投綠色建材有限公司)	–	57,000.00
Easyhome New Retail Group Corporation Limited	1,325.34	–
	591,497,645.04	588,136,189.37
Due to joint ventures		
Jidong Heidelberg (Jingyang) Cement Co., Ltd.	–	140.16
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
	25,752,358.12	25,752,498.28
Total	617,250,003.16	613,888,687.65

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Balances of receivables from and payment to related parties *(continued)*

Short-term loans

	30 June 2024	31 December 2023
Beijing State-owned Capital Operation and Management Company Limited	561,310,000.00	561,310,000.00

As at 30 June 2024, except for short-term loans and the amount due from STAR-USG Building Materials Co., Ltd. in other receivables, and long-term receivables, other amounts due from and due to related parties are interest free, unsecured and have no fixed terms of repayment.

7. Remuneration for key management personnel

	January to June 2024	January to June 2023
Remuneration for key management personnel	9,830,631.06	8,577,286.08

XI. COMMITMENTS AND CONTINGENCIES

1. Important commitments

	30 June 2024	31 December 2023
Asset acquisition or construction contracts entered into but not completed	174,197,222.51	917,589,823.48
Property development contracts entered into and being executed or will be executed	5,046,792,987.63	5,771,393,707.41
Total	5,220,990,210.14	6,688,983,530.89

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

XI. COMMITMENTS AND CONTINGENCIES *(continued)*

2. Contingencies

		30 June 2024	31 December 2023
Provision of guarantee on housing mortgage to third parties	Note 1	7,496,835,717.78	7,998,233,302.70
Provision of guarantee on loans and others to third parties	Note 2	845,000,000.00	775,000,000.00
Provision of guarantee on loans and others to related parties	Note 3	459,178,765.09	608,389,590.51
Contingent liabilities arising from provision of liquid support	Note 4	525,000,000.00	525,000,000.00
Total		9,326,014,482.87	9,906,622,893.21

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

Note 2: Jidong Group, a subsidiary of the Group, provided guarantees with joint obligations on the borrowings of RMB735,000,000.00 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 on 21 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 guarantees 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 7 April 2025.

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 general guarantee on the borrowings of RMB80,000,000.00 for Fuyang Furun Real Estate Co., Ltd. (富陽復潤置業有限公司). The guarantee will expire on 31 December 2024.

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 general guarantee on the borrowings of RMB3,000,000.00 for Fuyang Fuchun Resort Leisure Business Co., Ltd. (富陽富春山居休閒事業有限公司). The guarantee will expire on 31 December 2024.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

XI. COMMITMENTS AND CONTINGENCIES *(continued)*

2. Contingencies *(continued)*

Note 3: The Company provided a secured guarantee for the bank loan projects of Nanjing Huayu Real Estate Development Co., Ltd. (南京鐔隅房地產開發有限公司), an associate of the Group, amounting to RMB377,236,600.00. The guarantee will expire on 21 March 2025. Beijing BBMG Property Development Group Co., Ltd. provided an unconditional and irrevocable guarantees with joint obligations on letter of cash guarantee issued by Beijing Branch of CHINA BOHAI BANK CO., LTD. (渤海銀行股份有限公司) for Beijing Zhongtai Jinjian Real Estate Development Co., Ltd. (北京中泰金建房地產開發有限公司), an associate of the Group, with guarantee balance of RMB1,942,165.09, which will expire on 30 September 2025.

Tangshan Jidong Cement Co., Ltd., a subsidiary of the Group, provided secured guarantees on six borrowings of RMB25,000,000.00, RMB20,000,000.00, RMB15,000,000.00, RMB10,000,000.00, RMB5,000,000.00 and RMB5,000,000.00 for Anshan Jidong Cement Co., Ltd., which will expire on 23 November 2024, 26 May 2025, 15 December 2024, 26 October 2024, 29 July 2024 and 28 June 2025, respectively.

Note 4: As of 30 June 2024, the asset-backed securities and asset-backed bills issued by a subsidiary of the Company but not yet due amounted to RMB550,000,000 (31 December 2023: RMB550,000,000). For the senior asset-backed securities and asset-backed bills with an amount of RMB525,000,000 (31 December 2023: RMB525,000,000), the Group is subject to the obligations of liquidity supplementary payments for the difference between the fund from the senior asset-backed securities and asset-backed bills available for distribution and payment for the fixed return and principal of such senior asset-backed securities and asset-backed bills at the due date. The Group evaluated that the possibility of the obligations of liquidity supplementary payments is low.

XII. 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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

XII. OTHER SIGNIFICANT MATTERS *(continued)*

1. Segment reporting *(continued)*

For the six months ended 30 June 2024

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

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

XII. OTHER SIGNIFICANT MATTERS *(continued)*

1. Segment reporting *(continued)*

January to June 2023

	Modern green building materials	Property development and operation	Unallocated assets/ liabilities/expenses of the headquarters	Adjustments and elimination	Total
Revenue from external transactions	38,180,085,494.53	10,956,215,677.60	-	-	49,136,301,172.13
Revenue from inter-segment transactions	750,008,989.21	358,338,812.66	-	(1,108,347,801.87)	-
	<u>38,930,094,483.74</u>	<u>11,314,554,490.26</u>	<u>-</u>	<u>(1,108,347,801.87)</u>	<u>49,136,301,172.13</u>
Gains/(losses) on investment in joint ventures and associates	70,944,234.31	(8,604,568.28)	-	-	62,339,666.03
Asset impairment losses	(2,919,316.67)	(86,399,773.78)	-	-	(89,319,090.45)
Credit impairment (losses)/reversal	(74,482,050.52)	13,656,853.33	-	-	(60,825,197.19)
Depreciation and amortisation	2,320,633,562.97	237,197,053.18	45,070,932.35	-	2,602,901,548.50
Total (losses)/profits	(257,843,153.72)	1,023,014,682.10	(340,453,720.93)	964,033.00	425,681,840.45
Income tax expense	34,650,807.10	461,244,716.57	(85,113,430.23)	241,008.25	411,023,101.69
Total assets	118,867,764,601.84	203,873,959,655.15	687,288,492.98	(38,989,642,044.54)	284,439,370,705.43
Total liabilities	71,097,676,367.51	133,881,789,382.87	24,611,669,407.01	(38,780,452,761.42)	190,810,682,395.97
Long-term equity investment in joint ventures and associates	1,599,476,166.51	5,442,972,923.17	-	-	7,042,449,089.68
Increase in other non-current assets, excluding long-term equity investments	<u>2,468,463,363.27</u>	<u>3,626,751,395.25</u>	<u>-</u>	<u>-</u>	<u>6,095,214,758.52</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

XII. OTHER SIGNIFICANT MATTERS *(continued)*

1. Segment reporting *(continued)*

Other information

Information on products and labour services

Operating revenue by product/service is set out in Note V. 52.

Geographic information

	January to June 2024	January to June 2023
Asia	45,554,453,218.77	49,128,336,563.24
Africa	7,954,113.02	7,964,608.89
Total	45,562,407,331.79	49,136,301,172.13

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

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

Information about major customers

From January to June 2024 and in 2023, none of the sales income arising from any single customer of the Group exceeds 10% of the Group's revenues.

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

XII. OTHER SIGNIFICANT MATTERS *(continued)*

2. Remuneration for key management personnel

Directors' and supervisors' remuneration for the period, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Section 161 of the Hong Kong Companies Ordinance, was as follows:

	January to June 2024	January to June 2023
Fees	300,000.00	375,000.00
Salaries, allowances and benefits in kind	1,238,682.00	935,478.00
Performance related bonuses	2,074,190.60	1,899,302.00
Pension scheme contributions	325,353.60	275,477.76
Total	3,938,226.20	3,485,257.76

(1) *Independent non-executive directors*

The fees paid to independent non-executive directors during the period are as follows:

	January to June 2024	January to June 2023
Mr. Yu Fei	75,000.00	75,000.00
Mr. Liu Taigang	75,000.00	75,000.00
Ms. Li Xiaohui	–	75,000.00
Mr. Hong Yongmiao	75,000.00	75,000.00
Mr. Tam Kin Fong	75,000.00	75,000.00
Total	300,000.00	375,000.00

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

XII. OTHER SIGNIFICANT MATTERS *(continued)*

2. Remuneration for key management personnel *(continued)*

(2) Executive directors, non-executive directors and supervisors

The remuneration details of each director and supervisor as of 30 June 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	-	144,781.00	115,824.80	32,535.36	293,141.16
Mr. Gu Yu	-	144,781.00	115,824.80	32,535.36	293,141.16
Mr. Zheng Baojin	-	123,060.00	98,448.00	32,535.36	254,043.36
Mr. Jiang Changlu	-	123,060.00	98,448.00	32,535.36	254,043.36
Total	-	535,682.00	428,545.60	130,141.44	1,094,369.04
Non-executive directors					
Mr. Gu Tiemin	-	-	-	-	-
Ms. Hao Liwei	-	156,000.00	131,300.00	32,535.36	319,835.36
Total	-	156,000.00	131,300.00	32,535.36	319,835.36
Supervisors					
Mr. Zhang Qicheng*	-	90,000.00	316,945.00	27,112.80	434,057.80
Mr. Gao Jinliang	-	124,000.00	294,640.00	32,535.36	451,175.36
Mr. Qiu Peng	-	115,500.00	264,940.00	32,535.36	412,975.36
Mr. Wang Guijiang	-	102,000.00	321,660.00	32,535.36	456,195.36
Mr. Gao Junhua	-	99,000.00	304,640.00	32,535.36	436,175.36
Ms. Yu Yuehua	-	-	-	-	-
Mr. Fan Qinghai*	-	16,500.00	11,520.00	5,422.56	33,442.56
Total	-	547,000.00	1,514,345.00	162,676.80	2,224,021.80

* 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 Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

XII. 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 period are as follows:

	January to June 2024	January to June 2023
Salaries, allowances and benefits in kind	883,720.00	885,000.00
Performance related bonuses	3,992,490.54	3,766,117.02
Pension scheme contributions	112,268.08	153,043.20
Total	<u>4,988,478.62</u>	<u>4,804,160.22</u>

The remuneration distribution of the non-director highest paid employees was as follows:

Remuneration amount of employees	January to June 2024	January to June 2023
Nil – HK\$1,000,000	–	4
HK\$1,000,000 – HK\$1,500,000	5	1
Total	<u>5</u>	<u>5</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

XIII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

1. Other receivables

	30 June 2024	31 December 2023
Interests receivable	1,771,980,389.72	1,415,844,374.69
Dividends receivable	654,514,346.41	80,333,159.14
Amounts due from subsidiaries	54,332,138,935.99	56,461,085,479.05
Due from associates and joint ventures	52,672,732.51	15,153,644.49
Other current account	130,829,564.05	116,935,778.98
	56,942,135,968.68	58,089,352,436.35
Less: Provision for bad debts of other receivables	23,606,351.62	23,606,351.62
Total	56,918,529,617.06	58,065,746,084.73

An aging analysis of other receivables is as follows:

	30 June 2024	31 December 2023
Within 1 year	9,191,041,561.60	27,153,066,701.48
1 to 2 years	18,517,879,000.86	2,121,440,375.83
2 to 3 years	1,503,932,104.02	8,003,284,286.20
3 to 4 years	7,424,288,090.20	8,432,839,262.32
4 to 5 years	8,192,862,045.69	5,602,364,186.00
Over 5 years	12,112,133,166.31	6,776,357,624.52
	56,942,135,968.68	58,089,352,436.35
Less: Provision for bad debts of other receivables	23,606,351.62	23,606,351.62
Total	56,918,529,617.06	58,065,746,084.73

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

XIII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

(continued)

1. Other receivables (continued)

The movements in provision for bad debts of other receivables measured based on the lifetime expected credit loss are as follows:

	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
Closing balance	–	–	23,606,351.62	23,606,351.62

As at 30 June 2024, the top five of other receivables were as follows:

	Closing balance	Proportion (%)	Nature	Aging
First	11,482,347,316.96	20.16	Amounts due from subsidiaries	Within 1 year, 1-2 years
Second	7,197,172,134.14	12.64	Amounts due from subsidiaries	2-3 years, 3-4 years
Third	4,912,068,120.09	8.63	Amounts due from subsidiaries	Within 1 year, 1-2 years
Fourth	3,609,675,402.27	6.34	Amounts due from subsidiaries	3-4 years, 4-5 years
Fifth	3,543,359,730.56	6.22	Amounts due from subsidiaries	3-4 years, over 5 years
Total	<u>30,744,622,704.02</u>	<u>53.99</u>		

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

XIII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

(continued)

1. Other receivables (continued)

As at 31 December 2023, the top five of other receivables were as follows:

	Closing balance	Proportion (%)	Nature	Aging
First	13,763,871,932.86	23.69	Amounts due from subsidiaries	Within 1 year, 1-2years, 2-3 years
Second	7,080,161,651.37	12.19	Amounts due from subsidiaries	Within 1 year, 1-2years, 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	<u>34,392,285,895.19</u>	<u>59.20</u>		

2. Other current assets

	30 June 2024	31 December 2023
Entrusted loans	692,310,000.00	642,310,000.00
Input tax amount deductible	1,402,669.53	—
Total	<u>693,712,669.53</u>	<u>642,310,000.00</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

XIII. 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 period	Closing balance	Percentage of shareholding (%)	Percentage of voting right (%)	Cash dividends for the period
Beijing BBMG Xingfa Science and Technology Co., Ltd.	464,740,918.29	1,421,740,918.29	-	1,421,740,918.29	95.70	95.70	-
Beijing Woodworking Factory Co., Ltd.	54,556,261.17	342,001,954.50	-	342,001,954.50	100.00	100.00	150,000,000.00
Tongda Refractory Technology Co., Ltd.	537,421,261.73	537,421,261.73	-	537,421,261.73	100.00	100.00	14,000,000.00
BBMG New Building Materials Industrialization Group Co., Ltd.	3,428,029,200.49	5,776,459,192.79	1,064,645,200.00	6,841,104,392.79	100.00	100.00	-
Beijing BBMG Xinggang Technology Development Co., Ltd.	166,166,021.38	166,166,021.38	-	166,166,021.38	68.00	68.00	1,800,000.00
Beijing Building Materials Academy Co., Ltd.	194,167,784.68	246,317,784.68	-	246,317,784.68	100.00	100.00	-
BBMG GEM Real Estate Development Co., Ltd.	6,165,138,411.45	6,165,138,411.45	-	6,165,138,411.45	100.00	100.00	-
BBMG Investment Property Management Co., Ltd.	2,746,329,327.93	3,936,329,327.93	-	3,936,329,327.93	100.00	100.00	-
Beijing BBMG Real Estate Development Group Co., Ltd.	6,608,721,838.38	14,323,721,838.38	-	14,323,721,838.38	100.00	100.00	-
Beijing Yanshui Asset Management Co., Ltd.	32,707,342.45	32,707,342.45	-	32,707,342.45	100.00	100.00	13,000,000.00
BBMG Hong Kong Limited	288,057,387.91	288,057,387.91	-	288,057,387.91	100.00	100.00	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	100.00	100.00	-
BBMG Finance Co., Ltd.	3,000,000,000.00	3,000,000,000.00	-	3,000,000,000.00	100.00	100.00	285,000,000.00
BBMG Finance Lease Co., Ltd.	393,876,000.00	393,876,000.00	-	393,876,000.00	60.00	60.00	29,400,000.00
Jidong Development Group Co., Ltd.	5,225,000,000.00	5,225,000,000.00	-	5,225,000,000.00	55.00	55.00	-
Beijing Doors and Windows Co., Ltd.	430,370,700.00	430,370,700.00	-	430,370,700.00	100.00	100.00	6,000,000.00

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

XIII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

(continued)

3. Long-term equity investments (continued)

Cost method: (continued)

	Investment cost	Opening balance	Increase/ decrease for the period	Closing balance	Percentage of shareholding (%)	Percentage of voting right (%)	Cash dividends for the period
Jinyu Jingti (Beijing) Sports Culture Co., Ltd.	25,359,900.00	25,359,900.00	(25,359,900.00)	-	66.67	66.67	-
Tangshan Jidong Cement Co., Ltd.	1,091,264,397.20	9,535,955,770.27	-	9,535,955,770.27	53.81	53.81	-
Tianjin Building Materials Group (Holding) Co., Ltd.	5,118,176,371.21	5,118,176,371.21	-	5,118,176,371.21	55.00	55.00	-
BBMG Jidong (Tangshan) Concrete Environmental Protection Technology Group Co., Ltd	1,419,515,156.27	1,419,515,156.27	-	1,419,515,156.27	45.00	45.00	-
Beijing Jingcai Talent Development Center Co., Ltd. (北京京才人才開發中心有限公司)	141,480,261.00	141,480,261.00	-	141,480,261.00	100.00	100.00	2,000,000.00
Beijing Building Materials Testing Academy Co., Ltd.	68,139,760.78	68,139,760.78	-	68,139,760.78	60.00	60.00	-
Beijing BBMG Finance Lease Co., Ltd. (北京金隅融資租賃有限公司)	800,000,000.00	800,000,000.00	-	800,000,000.00	100.00	100.00	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	100.00	100.00	-
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	100.00	100.00	-
Total under cost method	<u>39,401,218,350.79</u>	<u>61,095,935,409.49</u>	<u>1,039,285,300.00</u>	<u>62,135,220,709.49</u>			<u>537,200,000.00</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

XIII. 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 period
	Opening balance	Increase investment	Decrease investment	Investment profit or loss under equity method	Other comprehensive income	Cash dividend declared	Provisions for impairment	
Joint venture								
STAR-USG Building Materials Co., Ltd.	59,211,761.01	-	-	2,641,383.01	-	-	-	61,853,144.02
Associates								
Zehnder (China) Indoor Climate Co., Ltd.	72,746,124.96	-	-	(66,911.99)	-	-	-	72,679,212.97
OCV Reinforcements (Beijing) Co., Ltd.	85,515,082.93	-	-	802,246.96	-	-	-	86,317,329.89
Tangshan Conch Profiles Co., Ltd.	165,798,055.89	-	-	(2,466,774.64)	-	-	-	163,331,281.25
Toto Machinery (Beijing) Company Limited	155,462,071.65	-	-	1,666,328.78	-	3,200,000.00	-	153,928,400.43
Beijing Innovation Industry Investment Co., Ltd.	242,482,051.74	-	-	8,799,065.36	-	-	-	251,281,117.10
Beijing Jingxi Ecological Cultural Tourism Investment Co., Ltd.	6,054,594.98	-	-	(565,223.93)	-	-	-	5,489,371.05
Easyhome New Retail Group Corporation Limited	2,231,987,335.85	-	-	59,912,503.42	-	38,981,187.27	-	2,252,918,652.00
Subtotal for associates	2,960,045,318.00	-	-	68,081,233.96	-	42,181,187.27	-	2,985,945,364.69
Total under equity method	3,019,257,079.01	-	-	70,722,616.97	-	42,181,187.27	-	3,047,798,508.71

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

XIII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

(continued)

4. Investment properties

Measured subsequently through fair value model:

	Buildings
Opening balance	13,753,284,490.75
Changes in fair value	<u>211,694,578.84</u>
Closing balance	<u>13,964,979,069.59</u>

All the above investment properties are located in the PRC, and leased out in form of operating leases.

As at 30 June 2024, there was no investment property for which the procedures for obtaining title certificates were incomplete.

5. Operating revenue and cost

	January to June 2024		January to June 2023	
	Revenue	Cost	Revenue	Cost
Rental income	443,115,986.76	46,249,306.08	477,159,083.20	54,934,571.94
Income from disposal of investment properties	–	–	109,114,036.12	86,806,337.98
Others	<u>1,524,722.48</u>	–	<u>2,316,959.88</u>	<u>2,165,531.13</u>
Total	<u>444,640,709.24</u>	<u>46,249,306.08</u>	<u>588,590,079.20</u>	<u>143,906,441.05</u>

Notes to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

XIII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

(continued)

6. Investment gains

	January to June 2024	January to June 2023
Gains from long-term equity investments under cost method	537,200,000.00	703,752,342.70
Investment losses from disposal of subsidiaries	(23,007,215.87)	–
Gains from long-term equity investments under equity method	70,722,616.97	12,504,501.09
Investment gains from financial assets held for trading during the holding period	3,152,571.32	9,456.56
Total	588,067,972.42	716,266,300.35

XIV. EVENTS AFTER BALANCE SHEET DATE

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

Supplementary Information to Unaudited Interim Financial Statements

For the period from 1 January 2024 to 30 June 2024

RMB

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	1,001,026,568.08
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)	135,298,057.67
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	21,939,112.84
Capital occupancy fee from non-financial enterprises recognized through profit or loss for the current period	6,117,095.14
Reversal of provisions for impairment of receivables that are individually tested for impairment	46,997,746.22
Profit or loss from debt restructuring	10,652,622.12
Profit or loss from fair value change of investment properties measured subsequently through fair value mode	176,969,394.58
Other non-operating income and expenses other than the above items	74,262,691.90
Other profit or loss items falling within the definition of non-recurring profit or loss	4,629,121.77
	<u>(124,935,971.78)</u>
Impact of income tax	
	<u>(103,917,880.18)</u>
Impact of minority interests (after tax)	
Total	<u>1,249,038,558.36</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 (公开发行证券的公司信息披露解释性公告第1号—非经常性损益)" (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 (公开发行证券的公司信息披露解释性公告第1号—非经常性损益)" 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:

Supplementary Information to Unaudited Interim Financial Statements (continued)

For the period from 1 January 2024 to 30 June 2024

RMB

SUPPLEMENTARY INFORMATION (continued)

1. Breakdown of Non-recurring Profit and Loss Item (continued)

	Amount	Reason
Value-added tax refund income	74,957,400.80	In line with national policies and occurring on an ongoing basis
Gains from changes in fair value of BBMG Finance Co., Ltd.	22,498,161.83	Business within the operation scope of the finance company
Loss arising from hedging instruments by Jidong Development Group Co., Ltd.	(7,775,242.82)	Business within the operation scope of Jidong Development
Heating subsidies	3,347,400.00	In line with national policies and occurring on an ongoing basis
Gains from hedging instruments by Beijing BBMG International Supply Chain Service Co., Ltd. (北京金隅國際供應鏈服務有限公司) (hereinafter referred to as "BBMG Supply Chain")	1,243,537.96	Business within the scope of operations of BBMG Supply Chain

2. Return on Net Assets and Earnings per Share

January to June 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	(2.96)	(0.12)
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit and loss	(5.73)	(0.24)
Before deducting other equity instrument indicators: Net profit attributable to ordinary shareholders of the Company	(1.11)	(0.08)
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit and loss	(2.82)	(0.19)

Supplementary Information to Unaudited Interim Financial Statements (continued)

For the period from 1 January 2024 to 30 June 2024

RMB

SUPPLEMENTARY INFORMATION *(continued)*

2. Return on Net Assets and Earnings per Share *(continued)*

January to June 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	0.06	0.0025
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit and loss	(1.97)	(0.09)
Before deducting other equity instrument indicators:		
Net profit attributable to ordinary shareholders of the Company	0.63	0.04
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit and loss	(0.84)	(0.05)

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.

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