



# 山西安裝

## 山西省安裝集團股份有限公司

Shanxi Installation Group Co., Ltd.

(於中華人民共和國註冊成立的股份有限公司)

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

股份代號 Stock Code: 02520



# 2025 中期報告 INTERIM REPORT



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# CORPORATE INFORMATION

## Board of Directors

### Executive Directors

Mr. REN Rui (Chairman) (from 22 May 2025)  
Mr. ZHANG Yan  
Mr. WANG Limin (Chairman) (until 22 May 2025)

### Non-executive Directors

Mr. XU Guanshi  
Mr. ZHANG Hongjie  
Mr. MU Jianwei  
Mr. FENG Cheng

### Independent Non-executive Directors

Mr. WANG Jingming  
Professor WU Qiusheng  
Ms. SHIN Chuck Yin  
Mr. GUO He

## Audit Committee

Professor WU Qiusheng (Chairman)  
Mr. FENG Cheng  
Mr. WANG Jingming

## Remuneration and Appraisal Committee

Mr. WANG Jingming (Chairman)  
Mr. ZHANG Yan  
Mr. GUO He

## Nomination Committee

Mr. REN Rui (Chairman)  
Mr. WANG Jingming  
Ms. SHIN Chuck Yin (from 26 June 2025)  
Mr. GUO He

## Supervisors

Mr. SHI Meng  
Mr. YAN Lei  
Ms. ZHANG Caixia

## Joint Company Secretaries

Mr. ZHANG Xiaodong  
Ms. CHAN Sze Ting (FCG, HKFCG)

## Authorized Representatives

Mr. REN Rui (from 22 May 2025)  
Mr. ZHANG Xiaodong  
Mr. WANG Limin (until 22 May 2025)

## Company's Website

<http://www.sxaz.com.cn>

## Investor Relations Contact

Mr. ZHANG Xiaodong  
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## Headquarters and Registered Office

No. 8 Xinhua Road  
Tanghuai Industrial Park  
Shanxi Transformation and Comprehensive Reform  
Demonstration Zone  
Shanxi  
The People's Republic of China

## Principal Place of Business in Hong Kong

Room 1919  
19/F, Lee Garden One  
33 Hysan Avenue  
Causeway Bay  
Hong Kong

## 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

## Legal Advisers to the Company

Jia Yuan Law Offices (as to PRC law)  
Jia Yuan Law Office (as to Hong Kong law)

### **Auditor**

Grant Thornton (Special General Partnership)  
5th Floor, Scitech Plaza  
22 Jianguomenwai Street  
Chaoyang District, Beijing  
PRC

### **Principal Bankers**

Bank of Communications Co., Ltd.  
Taiyuan Economic and Technological  
Development Zone Branch  
18 Longsheng Street  
Economic and Technological  
Development Zone  
Xiaodian District  
Taiyuan, Shanxi  
PRC

China Guangfa Bank Co., Ltd.  
Taiyuan Branch  
89 Jinyang Street  
Taiyuan, Shanxi  
PRC

Hua Xia Bank Co., Limited  
Taiyuan Tiyunan Road Branch  
69 Xutanxi Street  
Xiaodian District  
Taiyuan, Shanxi  
PRC

### **Compliance Adviser**

Shanxi Securities International Capital Limited

### **Stock Code**

02520



# MANAGEMENT DISCUSSION AND ANALYSIS



## Principal Activities

We are a construction service provider based in Taiyuan, a city in Shanxi Province, China. We primarily engage in the following four business segments: (i) specialized industrial construction, (ii) specialized auxiliary construction, (iii) other construction, and (iv) non-construction business. We offer a wide range of services, from (i) design and consulting, (ii) investment and construction, (iii) building construction, to (iv) operation and maintenance. An analysis of our revenue and operating profit for the six months ended June 30, 2025 by principal activities is set out in this section.

## Discussion and Analysis on Business Operation

In 2025, we will once again unveil our strategic plan and commence a new phase of development. Under the guiding theme of the “Year of Quality Empowerment”, we aim to build upon the accomplishments of the “Year of Quality Empowerment”, emphasizing value creation, enhancing internal capabilities, and endeavoring to advance a new chapter of high-quality growth.

**Within the specialized industrial construction sector**, the new energy division achieved new contract value of over RMB8 billion in the first half of 2025 focusing on innovating business models and expanding supply chains, precisely targeting transformation initiatives to facilitate a profound structural transition toward the green energy industry. Successful implementations included the new energy zero-carbon airport project of Shanxi Aviation Industry and the green power direct supply project in Changzhi High-Tech Zone. Additionally, we secured contracts for the Qinshui Hongfuguokou 150MW wind power project, the SPIC Boye 100MW wind power project, and the 400MW/800MWh grid-side electrochemical energy storage project in Fushan Town, Ningyang County, Tai'an City, thereby continuously strengthening our core competitive advantages.

We remain committed to consolidating our “specialization” strategy and steadfastly adhering to a specialized development pathway. In the chemical sector, we were awarded the contract for the construction and installation engineering of the first phase of the 200,000-ton siloxane and downstream deep processing project for Xinjiang Qiya Silicon Materials Co., Ltd.; and the procurement, construction and installation engineering for the ammonia synthesis and methanol facilities as part of the old factory relocation and transformation and new materials upgrading project (first phase) of Henan Jinkai Chemical Industry Investment Holding Group Co., Ltd. In the mechanical and electrical installation sector, we were contracted for the renovation of a class 10,000 cleanroom factory building (including mechanical and electrical equipment, fire protection facilities, and installation) of Shanxi Gaoke Riyueguang Display Technology Co., Ltd. Furthermore, in the power sector, we were awarded the contract for the “Improvement of Coal Unloading Capacity for In-Plant Trains” renovation project of Guodian Power Datong Company, and the general contracting for the PC engineering of the 1×50,000-kilowatt backpressure unit combined heat and power project in Xiajin, Dezhou. In the municipal sector, contracts were secured for the water pollution control project of the Ciyao River (a first-level tributary) within the Fen River system in the middle reaches of the Yellow River in Jiaocheng County, the recycled water reuse project in the provincial-level economic development zone (first tender section), and the ecological restoration project in Malizhai Village, Xiaojingzhuang Township, Zuoyun County, commissioned by Jinneng Holding Coal Industry Group Madaotou Coal Industry Co., Ltd.

**On the specialized auxiliary construction**, we successfully won bids for the Hubei Provincial Shuiyun Longxiang national-level rural comprehensive development project; the first tender section of the cultural water garden construction project of the Xiaoyi Old City cultural and tourism facility upgrading project (first phase); the urban central heating power plant relocation project in Luofan County of Taiyuan City Heat Supply Group; the construction waste treatment project in Yangquan City; and the human settlement environment comprehensive improvement project in Zhengzhuang Village, Zhengzhuang Town, Qinshui County.



**In the field of low-carbon operation investment,** we proactively implement the national “dual carbon” strategy. We are adhering to industrial investment and an investment approach that leverages modest capital to stimulate substantial market investments. We are also accelerating investment deployment in transformative sectors with the objective of becoming a green energy supplier and operator of low-carbon projects. During the first half of 2025, in the field of clean heat supply, the Siziwang Banner cogeneration project commenced its construction. In the solid waste disposal sector, we secured the contract for the Yangquan City construction waste resource utilisation integrated ecological project; completed the registration of construction waste treatment projects in Changzhi, Linfen and Yangquan, thereby further strengthening our industry standing within the province; and initiated the establishment of a new solid waste disposal project company in Ningwu. In the distributed energy sector, rooftop photovoltaic projects at Changzhi Park, Linfen Park, Equipment Manufacturing Park and Decoration Park of Shanxi CIG were completed and put into operation successively, achieving a total installed capacity of 12.3MW; and the Taiyuan Wusu zero-carbon airport project, currently under implementation, has been recognized as a national green and low-carbon project. Regarding water environment management, the Company was awarded the entrusted operation contracts for wastewater treatment plants in Guodao Town and Jingfeng Town, Qinyuan County, Changzhi City; and the second wastewater treatment plant and its associated pipeline construction project in a green power direct connection project company in Lihulan Town commenced trial operations in June. In the new power sector, the Company established Changzhi High-Tech Zone, actively developing exemplary demonstration cases for new energy project applications.

**In the realm of overseas operation,** the Group concentrates on the chemical and new energy sectors, with ongoing expansion efforts in Asia and Africa and achieving new contract values of over RMB800 million. It has successively secured contracts for the general contracting (second tender section) of the nickel cobalt oxide hydrometallurgy project, with an annual production of 90,000 tons (nickel metal equivalent), of SLNC (PT. Sulawesi Nickel Cobalt) in Indonesia, the general contracting (third tender section) of the nickel cobalt hydroxide project, with an annual production of 120,000 tons of nickel metal equivalent, of KNI (PT. Kolaka Nickel Indonesia) in Indonesia, the Simandou Mine infrastructure EPC1.1a construction and installation project of Rio Tinto in Guinea, and the peripheral supporting project for the liquefaction plant with a daily production of 700 tons (700TPD) in Nigeria. These achievements mark breakthroughs in new countries and continuous rolling development in key countries.

Furthermore, by leveraging its professional qualifications and track record, the Group has established close collaborations with internationally renowned and industry-leading enterprises such as Japan’s Marubeni, Singapore’s Sembcorp, France’s EDF and India’s Larsen & Toubro. Through pre-qualification listing, joint project bidding and in-depth operational coordination, the Group is establishing close collaboration to expand into the new energy and petrochemical markets across Asia and the Middle East. This will drive high-quality and sustainable development of the Group’s overseas operations, thereby facilitating its “going global” partnership.

**In terms of advancement of innovation ability, we have consistently increased investment in research and development,** with expenditures surpassing RMB100 million and initiation of 190 scientific research projects. **We have further enhanced collaboration among industry, academia, and research institutions** by undertaking 7 joint research projects with several domestic universities, successfully applying for a post-doctoral innovation practice base, and achieving multiple research outcomes that have passed the evaluation for the Shanxi Provincial Science and Technology Progress Award or received approval from provincial-level authorities. **On BIM + digital intelligence,** our research accomplishments have been selected for the 2025 Science and Technology Plan Project of the Provincial Housing and Urban-Rural Development Bureau (住建廳2025年度科學技術計劃項目); and the Wusu Airport T3 Terminal project has attained a significant breakthrough in “BIM + prefabrication” technical modeling. Regarding green innovation, our subsidiary Shan’an Blue Sky, in partnership with universities, has developed a digital intelligent control platform for heating room temperature, which has enabled fully automated operation across 17 heat exchange stations, resulting in a substantial reduction in heat consumption by over 18 percentage points; the Xiaohu rooftop photovoltaic project, invested in and constructed by our subsidiary Shan’an Maode, successfully secured the first batch of green certificates and completed market-based transactions; our subsidiary Shan’an Lide earned the first “Zero-Carbon Factory” three-star certification in the province, marking it as the inaugural recipient of this distinction within solid waste comprehensive utilization sector of Shanxi Province; and our subsidiary Shan’an Biquan has achieved a cumulative carbon reduction of 1,519 tonnes through its green operations, effectively contributing to the national “dual carbon” strategy.

**Regarding talent development systems,** we have continuously optimized the development ecosystem. Firstly, we have strengthened the career development pathway framework by expanding it to encompass 15 professional tracks and innovatively introduced talent recommendation pathways to stimulate intrinsic motivation for professional growth. Secondly, we established a research and support mechanism to provide regular guidance to grassroots units, established a human resources allocation center, enhanced the application of performance evaluations, and streamlined personnel entry and exit processes, thereby achieving dynamic optimization of human resource allocation. Thirdly, we have innovated talent development approaches by setting up project training bases, organizing focused training sessions for young managers at project sites, and promoting growth through practical experience to accelerate talent advancement. Fourthly, we have continuously improved training effectiveness by conducting the second internal trainer exchange competition, selecting outstanding participants to compete in the “Tianyuan Cup” internal trainer contest within the construction engineering sector; upgrading and developing the cloud classroom learning platform to facilitate networked, self-directed, and open training; and constructing a learning map for project management personnel to scientifically plan learning and development pathways based on job responsibilities, thereby further enhancing the effectiveness and strategic focus of training initiatives.

### Industry in which the Company Operates

In 2025, as an important pillar industry of the national economy, the construction industry still maintained a growth trend despite growing at a decelerated rate. In the first half of 2025, the total output value of the construction industry in the PRC was RMB13,674.5 billion, representing a year-on-year growth of RMB3,821.1 billion or 0.7%, which showed strong resilience in the industry.

#### I. Specialized Industrial Engineering in China

Specialized industrial construction generally includes construction related to new energy, petrochemicals and fine chemicals. The robust growth of the specialized industrial construction market in the PRC is attributable to the significant growth of the new energy industry and the strong demand for related energy associated with the significant development of the national economy.

##### 1. New Energy Industry Projects

In 2025, China made remarkable progress in new energy sectors of “wind, photovoltaic, storage, hydrogen, and vehicles”, which flourished like a garden in full bloom. The PRC fulfilled its global commitments, and the overall achievements of the industry were significant. In the first half of 2025, the new national grid-connected wind power capacity reached 51.39 million kilowatts, comprising 48.90 million kilowatts from onshore wind farms and 2.49 million kilowatts from offshore installations. By the end of June 2025, the cumulative national grid-connected wind power capacity amounted to 573 million kilowatts, representing a year-on-year growth of 22.7%, with onshore wind farms contributing 528 million kilowatts and offshore installations contributing 44.20 million kilowatts. During the first half of the year, the cumulative national wind power generation reached 588 billion kilowatt-hours, representing a year-on-year increase of 15.6% and achieving an average utilization rate of 93.2%.

In the first half of 2025, the new national grid-connected capacity for photovoltaic power generation reached 212 million kilowatts, including approximately 100 million kilowatts from centralized photovoltaic installations and 113 million kilowatts from distributed photovoltaic installations. By the end of June 2025, the national installed photovoltaic capacity was approximately 1.1 billion kilowatts, representing a year-on-year increase of 54.1%, with centralized photovoltaic capacity of 606 million kilowatts and distributed photovoltaic capacity of 493 million kilowatts. In the first half of the year, the cumulative national photovoltaic power generation reached 559.1 billion kilowatt-hours, representing a year-on-year increase of 42.9% and achieving an average utilization rate of 94%.

As of the first half of 2025, the total installed capacity of wind and photovoltaic power generation in the PRC reached 1.673 billion kilowatts, of which the installed capacity of wind power was approximately 573 million kilowatts, and the installed capacity of photovoltaic power was approximately 1.1 billion kilowatts. This fulfilled the global commitment six years ahead of schedule. By 2025, an additional installed capacity of about 200 million kilowatts of wind and photovoltaic power is planned. In the future, residential electricity will be greener, and new energy vehicles will also be able to charge with green power.



In the first half of 2025, the newly installed capacity of renewable energy nationwide reached 268 million kilowatts, accounting for 91.5% of the total newly installed capacity. Currently, investment in non-fossil energy generation is steadily increasing. A number of centralized wind power projects in Gansu, Xinjiang, Liaoning, Heilongjiang and Hebei are being accelerated. In terms of centralized photovoltaic power, investments in ongoing projects in Yunnan, Xinjiang, Qinghai, Inner Mongolia, Shandong and Hebei are being rapidly released; for distributed photovoltaic power, developments in Jiangsu and Zhejiang are speeding up, while investments in Anhui and Guangdong are growing quickly. Investment in new energy business formats is being accelerated. A series of multi-energy complementary clean energy base projects in Gansu, Xinjiang and Qinghai are progressing in an orderly manner. Ongoing projects for green hydrogen production in Inner Mongolia and hydrogen refueling facilities in Henan continue to be effective investments.

The installed capacity of new energy storage nationwide is maintaining rapid growth. By the end of 2024, China had installed and commissioned 73.76 million kilowatts/168 million kilowatt-hours of new energy storage capacity, representing 40% of the total installed capacity globally. The advancement of new energy storage technologies is progressing robustly, encompassing the primary technical approaches employed in international engineering projects. Operational management and utilization levels have consistently improved, effectively facilitating the development of a new power system.

The “14th Five-Year Plan for Future Industrial Development in Shanxi Province” (《山西省「十四五」未來產業發展規劃》) lists the hydrogen energy industry as one of Shanxi’s seven leading future industries, proposing the establishment of a “China Hydrogen Capital” with national and global influence over the next 30 years. The 2025 government work report of Shanxi Province states that it would accelerate the construction of wind and photovoltaic projects, promote the full industrial chain development of hydrogen, ammonia and methanol, and ensure that the installed capacity of new energy and clean energy accounts for over 50%. It will advance the construction of new energy storage, pumped storage and virtual power plants to build a new power system. The implementation of the green development strategy will bring new investment opportunities to the new energy sector.

On January 1, 2025, the first Energy Law of the PRC officially came into effect. This marks a milestone in the history of energy development in our country. The Energy Law is the first to incorporate hydrogen energy into national legislation, clarifying the energy properties of hydrogen. It also establishes the legal status of green certificates, encourages users to prioritize the use of renewable energy, and supports the development of new technologies, new business formats, and new models such as new energy storage and intelligent micro-grids. The implementation of the Energy Law will undoubtedly propel China’s energy sector into a new stage of development and accelerate the realization of China’s “3060” dual carbon strategic goals.

### 2. *Chemical Industry Projects*

The chemical industry can be mainly divided into four sectors, namely coal chemical, natural gas chemical, petroleum chemical, and fine chemical. Coal chemical is an important component of China's energy and chemical industry. With abundant coal resources, China has become one of the core regions for the development of the global coal chemical industry. In particular, regions such as Xinjiang, Inner Mongolia and Shanxi provide solid resource guarantees for the development of the coal chemical sector. In 2024, China's total coal chemical production capacity continued to expand, with new capacities for coal-to-olefins, methanol-to-aromatics (MTA), and coal-to-ethylene glycol exceeding 8 million tonnes per year. The capacity utilization rate of coal-to-olefins projects in Xinjiang reached over 85%. As a primary raw material for basic chemicals, the production capacity of coal-to-methanol saw particularly significant growth. In 2024, the total production of coal-to-methanol in China reached 70 million tonnes, accounting for over 50% of the global total production capacity, primarily used for olefin production. In recent years, the coal chemical industry has gradually extended into high-end product fields, achieving significant progress in areas such as coal-to-aromatics, coal-to-ethylene glycol and coal-to-high-end plastics. By 2025, the coal chemical industry will gradually complete the transition from basic raw material production to high value-added product manufacturing through the transformation and upgrading towards cleanliness, high-end products and environmental friendliness.

Natural gas chemicals are undergoing a comprehensive upgrade from resource development to high-end and green applications, particularly in the integration of light hydrocarbons and hydrogen utilization. By 2025, with the diversification of global natural gas supply and the acceleration of the green energy transition, the natural gas chemical industry is moving from traditional basic chemicals to high-end fine chemicals, while playing a key role in low carbon and sustainable development.

The petroleum chemical industry is transitioning from a phase of production capacity expansion for traditional bulk products to a period of high-end fine development. By 2025, with the advancement of the "dual carbon" goals and changes in market demand, refining integration and the extension of the downstream industrial chain will become the core pathways for the transformation and upgrading of the petroleum chemical industry.

In the field of fine chemicals, the industrial layout for high-performance materials, electronic chemicals, synthetic biology, fluoro-chemistry, and refrigerants is accelerating. By 2025, driven by demand growth, technological breakthroughs and the expansion of international markets, these areas will become important engines for the growth of the fine chemical industry.

The PRC government is actively supporting the petrochemical industry based on the policy directions set out in the "Petrochemical Industry Planning and Layout Plan" (《石化產業規劃佈局方案》) and other proposals, and the total market size of petrochemical industry engineering in the PRC is expected to reach RMB2,688.4 billion by 2027.

In line with the policy direction set by the Chinese government and in accordance with the “14th Five-Year Plan for Industrial Development of Shanxi Province” and the “Implementation Plan for Accelerating the Development of New Material Industry in Shanxi Province”, the carbon-neutral policy is expected to drive the development of Shanxi’s petrochemical industry in the direction of low-carbon, green, high-end and differentiation. From the perspective of zero carbon emission policy, the development of carbon-based materials such as carbon fibre and graphene and other emerging carbon-based materials is an important starting point for the transformation and development of petrochemical industry in Shanxi Province. Looking ahead, the market size of petrochemical industry engineering in Shanxi Province is expected to reach RMB103.1 billion by 2027, driven by the gradual transition to high-end petrochemical production.

## II. Specialized Auxiliary Construction in the PRC

Specialized auxiliary construction mainly includes urban roads, power supply, water supply as well as transportation infrastructure such as highways, railways and bridges. Specialized auxiliary construction generally plays an important role in the development of infrastructure construction, and the gross output value of specialized auxiliary construction in the PRC is expected to continue to grow as a result of (i) the rapid progress of the PRC’s urbanization process over the past few years, and (ii) the Chinese government’s growing investment in fixed assets of specialized auxiliary construction.

As a result of (i) the government’s policy to promote the redevelopment of old districts, in particular the upgrading of utilities such as gas, electricity, drainage, heating and other auxiliary infrastructures; (ii) the intensive investment in infrastructure development in Shanxi Province; and (iii) large-scale projects such as the South-to-North Water Diversion Project, which will cost approximately RMB500 billion and cover six provinces, including Shanxi Province, the total output value of specialized auxiliary construction in Shanxi Province has increased significantly. Supported by the government’s vigorous promotion of urbanization, the demand for related infrastructure and the output value of municipal utility projects will increase accordingly.

### 1. Clean Heat Supply

There is significant demand in the heating market, as urbanization drives the expansion of urban heating areas year by year. Traditional decentralized heating boilers cause severe environmental pollution and significant energy waste. In contrast, centralized heating boilers possess large capacities and are equipped with comprehensive dust removal, desulfurization, and denitrification facilities. Replacing decentralized heating not only achieves approximately 30% energy savings but also markedly reduces urban pollution. This transition is essential for enhancing urban environmental quality and fostering a positive urban image, yielding considerable economic and environmental benefits. Based on the analysis of relevant policies issued by China, the future development priorities of the heating industry will focus on clean energy heating, centralized heating utilizing industrial waste heat, smart heating, and renovation and upgrading of urban heating networks.

### 2. *Solid Waste Disposal*

According to the estimation of China Association of Urban Environmental Sanitation, the annual generation of construction waste in large and medium-sized cities in China in recent years has exceeded 2 billion tonnes, and has remained high all the time. In terms of disposal volume, the current volume of construction waste disposal in China is around 1.75 billion tonnes, and it is expected to exceed 2 billion tonnes by 2026. It is estimated that the resource utilization rate of construction waste in certain developed countries reaches up to 90%, whereas in China, the resource utilization rate of construction waste ranges between 10% and 30%. The “Opinions on Further Strengthening the Management of Construction Waste in Cities” of the Ministry of Housing and Urban-Rural Development sets a target for the average resource utilization rate of construction waste in prefecture-level and higher cities across the country to exceed 50% by 2027.

With the increasing improvements in related laws and standards of the construction waste resource recycling industry, China’s construction waste resources utilization has broken through the bottlenecks in terms of processing equipment, production technology, standards and norms, product quality, usage demonstration and other aspects have broken through the bottleneck. The platform for construction waste resource is gradually improving, with significant enhancement in reuse capability, and construction waste resource utilization treatment will enter a period of rapid development of scale. Furthermore, with the rapid advancement of China’s new energy sector, the disposal of emerging types of solid waste, such as wind turbine blades, photovoltaic modules, and used power batteries, is anticipated to undergo significant development.

### 3. *Distributed Photovoltaic*

Vigorously developing renewable energy has become a major strategic direction and concerted action in response to the climate change amidst the global energy transformation. Accelerating the development of renewable energy, implementing renewable energy substitution actions, actively exploring energy transition programs, and building a comprehensive energy base with a high proportion of renewable energy are key initiatives to achieve the carbon peak and carbon neutrality targets and build a modern energy system during the “14th Five-Year Plan” period. They are also important ways and strategic initiatives to uphold Xi Jinping’s idea of ecological civilization, to implement the new strategy of energy security in depth, and make concerted efforts to build socialism with Chinese characteristics in the new era.

In January 2025, the National Energy Administration promulgated the “Administrative Measures for the Development and Construction of Distributed Photovoltaic Power Generation”, which aim to further standardize the development, construction and management of distributed photovoltaic power generation projects and to promote their high-quality growth. According to the “Three-Year Action Plan for Promoting the Development of Distributed Renewable Energy in Shanxi Province (2023–2025)”, the total installed capacity of distributed renewable energy power generation in Shanxi Province is projected to reach approximately 10 million kilowatts by 2025.



#### 4. *Water Environment Management*

In June 2025, the General Office of the Central Committee of the Chinese Communist Party and the General Office of the State Council issued the “Opinions on Comprehensively Promoting the Protection and Management of Rivers”. This document sets forth the objective that by 2035, China will essentially establish a modernized flood control and disaster reduction system for river basins, significantly enhance the security of water supply in both urban and rural areas, and comprehensively improve the ecological environment quality of rivers. Concurrently, the Shanxi Provincial Department of Ecology and Environment released the “Work Plan for the Construction of Standardized Drinking Water Sources at the Township and Village Levels to Effectively Address People’s Livelihood Concerns”, which aims to develop 50 township-level and 650 village-level standardized drinking water sources by 2025. Looking ahead, projects related to urban and rural water supply, comprehensive basin management, industrial wastewater treatment, and recycled water reuse present substantial potential for development.

### III. Opportunities and Challenges in Overseas Engineering Contracting and Investment

In recent years, amid the accelerated transformation of the global landscape, great power rivalry and geopolitical conflicts which led to profound adjustments in the global political and economic landscape, sluggish global economic recovery, and heightened volatility in commodity prices and exchange rates, China’s overseas contracting engineering sector has proactively confronted these challenges. By capitalizing on trends such as the green energy transition and digitalization and adhering to innovative development, the sector has achieved reasonable growth in scale and effective improvement in quality. According to data from the Ministry of Commerce, in the first half of 2025, China’s overseas contracting engineering business recorded a turnover of RMB561.21 billion, representing a year-on-year increase of 9.3% (equivalent to US\$78.12 billion, up 8.1%), and the value of new contracts reached RMB933.19 billion, representing an increase of 13.7% (equivalent to US\$129.9 billion, up 12.4%). Leading enterprises in the industry, leveraging their robust capabilities in delivering large-scale projects, extensive resource integration, and strong creditworthiness, have emerged as pivotal contributors to the international infrastructure market.

Regarding outbound investment, global investment risks remain elevated, characterized by the interplay of political, economic, social, and technological risks. These widespread adverse conditions continue to pose severe challenges to global outbound investment. According to data from the Ministry of Commerce and the State Administration of Foreign Exchange, from January to June 2025, China’s outbound direct investment across all sectors amounted to RMB574.86 billion, of which, Chinese domestic investors made non-financial direct investments in 6,887 overseas enterprises spanning 150 countries and regions, with a cumulative investment of RMB518.89 billion, representing an increase of 0.6%. Although the intricate global political and economic landscape poses severe challenges to cross-border investments worldwide, it simultaneously offers opportunities for Chinese enterprises. Consequently, Chinese companies are encouraged to recalibrate their outbound investment strategies, capitalize on opportunities, strengthen their international influence, optimize investment portfolios, emphasize investment quality, and rationally plan their global investment layouts to effectively mitigate investment risks.

### Financial Review

#### Operating revenue

The Group primarily derives its operating revenue from: (i) specialized industrial construction, (ii) specialized auxiliary construction, (iii) other construction, and (iv) non-construction business.

Our operating revenue for the six months ended June 30, 2025 amounted to RMB5,614,375,000, representing a decrease of 6.6% as compared with RMB6,012,233,000 for the six months ended June 30, 2024, mainly due to the decrease in operating revenue derived from specialized auxiliary construction and other construction.

#### Cost of sales

Our cost of sales primarily includes raw material costs, labor force, machinery utilization costs and subcontracting costs, etc.

Our cost of sales for the six months ended June 30, 2025 amounted to RMB5,015,697,000, representing a decrease of 7.3% from RMB5,410,480,000 for the Corresponding Period. It was mainly due to the decrease in costs corresponding to the decrease in revenue.

#### Gross profit and gross profit margin

Our gross profit for the six months ended June 30, 2025 amounted to RMB598,678,000, representing a decrease of 0.5% as compared to RMB601,753,000 for the Corresponding Period. It was mainly due to the decrease in gross profit from specialized industrial construction and non-construction segments.

Our gross profit margin for the six months ended June 30, 2025 was 10.7% (January to June 2024: 10.0%) and the change in gross profit margin was mainly due to the increase in gross profit margin of specialized auxiliary construction and other construction.

#### Taxes and surcharges

Our taxes and surcharges for the six months ended June 30, 2025 amounted to RMB14,559,000, representing an increase of 11.6% as compared with RMB13,047,000 for the Corresponding Period, which was mainly due to the increase in stamp duty and urban maintenance and construction tax.

#### Selling expenses

Our selling expenses principally consist of sales and transportation fees of liquefied natural gas ("LNG"), employee compensation, travel expenses, depreciation expenses, advertising fees and others.

Our selling expenses for the six months ended June 30, 2025 amounted to RMB650,000, representing an increase of 1.1% as compared with RMB643,000 for the Corresponding Period.

#### Management expenses

Our management expenses principally consist of employee benefits expenses, training and consulting fees, depreciation and amortization and office expenses, agency fees, travel expenses and others.

Our management expenses for the six months ended June 30, 2025 amounted to RMB230,110,000, representing an increase of 2.4% as compared with RMB224,750,000 for the Corresponding Period, which was mainly due to the increase in employee remuneration costs during the Reporting Period.



## Management Discussion and Analysis

### Research and development expenses

Our research and development expenses for the six months ended June 30, 2025 amounted to RMB172,876,000, representing an increase of 27.6% from RMB135,481,000 for the Corresponding Period, which was mainly due to the increase in the number of research and development projects during the Reporting Period, resulting in increased investment.

### Finance expenses

Our finance expenses mainly represent interest on bank borrowings and borrowings from other non-financial institutions, interest on lease liabilities, interest income from PPP projects and deposit interest income.

Our finance expenses for the six months ended June 30, 2025 amounted to RMB38,729,000, representing a decrease of 37.9% as compared to RMB62,394,000 for the Corresponding Period, which was mainly due to the decrease in interest expenses on bank borrowings during the current period.

### Other gains

Our other gains mainly represent government grants and individual income tax fee refunds.

Our other gains for the six months ended June 30, 2025 amounted to RMB3,033,000, representing a decrease of 17.8% as compared with RMB3,691,000 for the Corresponding Period.

### Investment gains

Our investment gains for the six months ended June 30, 2025 amounted to RMB-2,228,000, representing a decrease of RMB1,523,000 as compared with RMB-705,000 for the Corresponding Period. The decrease in investment gains was mainly due to the reduction in share of profit of associates.

### Gains on change in fair value

For the six months ended June 30, 2025, we recorded gains on change in fair value of RMB1,025,000, representing an increase of RMB1,549,000 as compared with RMB-524,000 for the Corresponding Period, which was mainly attributable to the appreciation of investment properties valuation.

### Credit impairment losses

Our credit impairment losses represent credit impairment losses on our trade receivables, bill receivables and other receivables.

During the six months ended June 30, 2025, we applied an internal expected credit loss model (the “**ECL Model**”) developed by the management of the Group in calculating expected credit losses and recognized provision for expected credit losses. The ECL Model reflects the recoverability and historical settlement results on trade receivables, bill receivables and other receivables at the end of each reporting period without the use of hindsight. Any reduction on or addition to the credit impairment losses on our trade receivables, bill receivables and other receivables at the end of each year is credited or charged to profit or loss.

For the six months ended June 30, 2025, we had credit impairment losses of RMB-23,946,000, representing a decrease of RMB10,752,000 from RMB-34,698,000 for the Corresponding Period.

### Impairment losses on assets

Our impairment losses on assets represent the impairment losses of our contract assets, inventories and fixed assets.

## Management Discussion and Analysis

For the six months ended June 30, 2025, our impairment losses on assets amounted to RMB-16,424,000, representing a decrease of RMB6,116,000 from RMB-22,540,000 for the Corresponding Period.

### Total profit

For the six months ended June 30, 2025, our total profit amounted to RMB103,534,000, representing a decrease of 8.7% from RMB113,455,000 for the Corresponding Period, which was mainly due to the decrease in revenue from construction engineering.

### Income tax expense

Our income tax expense for a given period includes corporate income tax.

For the six months ended June 30, 2025, our income tax expense was RMB13,186,000, representing an increase of RMB15,474,000 from RMB-2,288,000 for the Corresponding Period, which was mainly due to the increase in current income tax expense during the Reporting Period.

### Net profit

For the six months ended June 30, 2025, we recorded a net profit of RMB90,348,000, representing a decrease of 21.9% from RMB115,743,000 for the Corresponding Period.

### Total comprehensive income attributable to shareholders of the parent company

For the six months ended June 30, 2025, total comprehensive income attributable to our equity holders was RMB64,586,000, representing a decrease of RMB20,656,000 from total comprehensive income attributable to equity holders of the Company of RMB85,242,000 for the Corresponding Period.

### Liquidity and capital resources

As at June 30, 2025, the Group's net current assets amounted to RMB-23,080,000 (as at December 31, 2024: RMB-312,542,000) consisting of current assets of approximately RMB17,850,872,000 (as at December 31, 2024: RMB17,189,428,000) and current liabilities of approximately RMB17,873,952,000 (as at December 31, 2024: RMB17,501,970,000), representing a current ratio of approximately 1.0.

As at June 30, 2025, the Group had cash and bank balances (including restricted pledged bank deposits) of approximately RMB2,240,848,000 (as at December 31, 2024: RMB2,626,837,000). As at June 30, 2025, the Group had cash and bank balances (excluding restricted pledged bank deposits) of approximately RMB1,964,808,000 (as at December 31, 2024: RMB2,200,843,000).

As at June 30, 2025, the Group's borrowings amounted to RMB6,282,674,000 (as at December 31, 2024: RMB6,118,923,000), which were mainly borrowings in RMB. The increase in borrowings of the Group was mainly used for daily operating liquidity.

The Directors are of the view that the Group will be able to have sufficient working capital to fund its future financing needs and working capital based on the below: (a) the Group is expected to be profitable and therefore will continue to generate operating cash flows from future business operations; (b) the Group has maintained long-term business relationship with its principal banks; and (c) the Company has obtained a commitment letter from Shanxi CIG, the controlling shareholder, committing to provide continuous funding support for the Group's operation needs.





## Management Discussion and Analysis

### Capital expenditures

The Group's capital expenditures relate primarily to construction and equity investment. As at June 30, 2025, the total amount of capital expenditures contracted by the Group but not yet incurred was RMB2,127,303,000 (as at December 31, 2024: RMB1,261,801,000).

### Gearing ratio and quick ratio

Gearing ratio represents net debt divided by total capital. Net debt represents total borrowings (including, among other things, short-term borrowings, long-term borrowings due within one year and long-term borrowings) less cash balance presented in the statement of cash flow. Total capital represents the sum of shareholders' equity and net debt presented in the consolidated balance sheet. Total shareholders' equity includes equity attributable to shareholders of the parent company and minority interests. Our gearing ratio as at June 30, 2025 was 55.92% (as at December 31, 2024: 53.96%).

Quick ratio represents current assets (excluding inventory) divided by current liabilities at the end of each year/period. Our quick ratio as at June 30, 2025 was 1.0 (as at December 31, 2024: 1.0).

### Contingent liabilities

As at June 30, 2025, the Group did not have any significant contingent liabilities.

### Long-term equity investments

As at June 30, 2025, the Group's long-term equity investments amounted to RMB266,779,000, representing an increase of 26.9% as compared with RMB210,245,000 as at December 31, 2024. The increase in the Group's long-term equity investments was mainly due to the increase in investment in associates by the Company.

As at June 30, 2025, each individual investment held by the Group did not constitute 5% or more of the Group's total assets.

### Material acquisitions and disposals of subsidiaries, associates and joint ventures

As at June 30, 2025, there were no material acquisitions and disposals.

### Interim Dividend

The Board does not recommend the distribution of an interim dividend for the six months ended June 30, 2025 (for the six months ended June 30, 2024: Nil).

## Discussion and Analysis of the Company on Future Development

### (I) Future Prospect

2025 is a year in which Shanxi Installation will continue a new journey after its listing on the Hong Kong Stock Exchange. Against the backdrop of China's economic transformation, Hong Kong's unique advantage in connecting China and the world is becoming more apparent. The agility and vitality of the Hong Kong market are being strengthened in the increasingly complex international environment, and the potential of emerging businesses such as the carbon market and technological empowerment is huge. We have designated this year as the "Year of Quality Empowerment", and we will adhere to the principle of seeking progress while maintaining stability, and actively make progress in adopting different approaches, adjusting structures, improving quality and enhancing efficiency, so as to consolidate the foundation for continuous improvement in all aspects of operations, and unswervingly push forward the Group's high-quality development.

## Management Discussion and Analysis

An All-out effort for Transformation and Detailed Definition of Responsibilities for Implementation. We will continue to optimize the market layout, expand cooperation with high-quality resources, carefully analyze and assess risks, profit, and cash flow, expanding our room of maneuver and improving the quality of business operation through the government-enterprise cooperation, investment, and equity cooperation. We will strengthen the development ideas of “specialization” and “going out” by expanding the market of specialized industrial construction and specialized auxiliary construction, focusing on new energy and chemical projects, taking advantage of the industry chain and actively achieving targets in new energy projects. Low-carbon environmental protection will be taken as the entry point of transformation. Further efforts will be made in the businesses of the transformation platforms, actively expanding the market of energy storage, offshore wind power, new energy upgrading and transformation, hydrogen amino, and other specialized fields, so as to effectively enhance the vitality of the Company’s development. The whole-process management of overseas projects will be strengthened, and the quality of performance will be improved to ensure that projects are delivered on time and with high quality, thus creating a good reputation for China’s “Belt and Road” initiative. We will resolutely expand the overseas market with emphasis on specialization, strengthen risk identification, plan in advance and actively participate in the bidding of overseas projects.

Sustainable and Effective Development, and Effective Governance. We will continue to advance the transformational development of the enterprise by exploring into new businesses including low-carbon environmental protection and integrated clean energy. We will seize key development opportunities including assembly type industrial parks, the Xiaohu Green-Smart City project, ecological demonstration cities, the “Diverting Clear Water into the Yellow River” project, and the “Three-Year Action Plan to Secure a Blue Sky” project, and ensure that in 2025, in the fields of clean heat supply, solid waste disposal, water environmental treatment and distributed energy, we will continue to replicate the successful experience to more heat supply projects, explore water treatment new model, conduct studies to improve the profitability level of distributed photovoltaic projects, consolidate the market in bulk solid waste disposal, and form a virtuous cycle in which we always have developing projects in progress and process in completion. We will continue to standardize our corporate governance processes in accordance with the requirements for listed companies in terms of investor relations management, coordination of information communication and close monitoring of public opinion. We will strive to maximize the Company’s value in capital market by continuously promoting the progress of compliance management in subsidiaries, and making efforts in capitalization operations.

### (II) Major Risk Factors

Risks that may have material effects on the operation of the Group are as follows:

The Company’s business and future growth prospects are dependent on the overall economic situation in China and the extent of the development of specialized industrial construction, specialized auxiliary construction, other construction and infrastructure, and the Company’s business operations and financial condition are subject to the following major risks:

#### ***Policy and Regulatory Risks***

The Company’s core business is affected by changes in government policies relating to the construction industry, including laws and regulations affecting infrastructure development, new energy, project financing and taxation, local government budgets and corporate participation in the infrastructure industry. During the



## Management Discussion and Analysis

Reporting Period, the Company complied with the regulatory requirements of the principal laws, regulations and departmental rules while closely monitoring the legislative developments in the industries in which it operates. During the Reporting Period and up to the date of this report, the Group has complied with the relevant laws and regulations that have impacts on the Group's business and operations. Any changes to applicable laws and regulations will be communicated periodically to the relevant employees and operational units. Changes in Chinese government policies pertaining to the construction industry may affect the Company's business and financial performance; and any alterations in procurement policies or industry standards may have a significant impact on the Company's business.

### ***Market Risks***

The Company is exposed to market risks primarily from the Company's major customers and key suppliers. Market uncertainties caused by reforms of major customers and suppliers may have a significant impact on the Company's business. In addition, other market risks, including foreign exchange risk and interest rate risk, may also have impacts on the Company's business and operations.

### ***Environmental Compliance Risks***

In the course of conducting the Company's business, we are required to comply with various PRC national and local environmental laws and regulations that set out the standards for the emission and treatment of pollutants generated during operations, including the "Law of the People's Republic of China on Prevention and Control of Noise Pollution". For example, we are required to take measures to control environmental pollution generated at construction sites and pay for the discharge of waste materials.

In the event of serious environmental offences, we may be subject to fines and other administrative penalties and/or rejection from obtaining or renewing relevant licenses and permits. Law enforcement officials also have the right to order the closure of our construction facilities if they cause environmental damage or destruction that we are unable to remedy.

### ***Compliance and Governance Risks as a Listed Company***

As a Hong Kong listed company, the Company has to strictly fulfill relevant requirements on information disclosure and decision-making procedures under laws and regulations such as the Listing Rules. For various matters such as connected transactions, disclosable transactions, approval for and publication of regular reports, dividends distribution, and the election and appointment of directors and supervisors, appropriate decision-making procedures have to be performed, and announcements have to be published on a timely basis. At the same time, it is required to ensure the truthfulness, accuracy and completeness of announcements, with high requirements for the quality of decision-making and information disclosure works. Failure to comply with relevant requirements may be subject to inquiries, sanctions, reprimands or other disciplinary actions by regulatory bodies such as the Hong Kong Stock Exchange and the China Securities Regulatory Commission. In severe cases, companies may even face suspension of trading or delisting.

The Company recognizes that risk management is critical to the success of our business. To address these challenges, our Audit Committee is responsible for reviewing the Company's financial control, internal control and risk management systems.

## Management Discussion and Analysis

The Company has established an effective comprehensive risk management system and mechanism to improve the level of risk mitigation and management standard, as well as to clarify the collection, collation and reporting of events with significant operational risks to safeguard the stable operation and sustainable development of the Company.

In 2024, the Company issued the “Measures on Internal Control Assessment and Management of Shanxi Installation Group Co., Ltd.”, the “Implementation Rules for Internal Control Management of Shanxi Installation Group Co., Ltd.” and other systems related to internal control, and conducted promotion, using this as the base for standardizing the implementation of internal control works.

The Company organizes a company-wide risk assessment exercise each year to determine the risk situation in the following year.

### *Internal Control*

The Board of Directors is responsible for establishing and maintaining an effective internal control system. During the Reporting Period, we regularly reviewed and strengthened our internal control system. The following is a summary of the internal control policies, measures and procedures that we have implemented or plan to implement:

We have adopted a number of measures and procedures for various aspects of our operations, such as environmental protection and occupational health and safety. Regular training on these measures and procedures is provided to employees as part of their training programs. We also regularly monitor the implementation of these measures and procedures at every stage of the service delivery process through our on-site internal control team.

The Board, with the assistance of our legal advisers, will regularly review our compliance with relevant laws and regulations.

We have established the Audit Committee, which is responsible for reviewing our financial control, internal control and risk management systems on a regular basis. In the first half of 2025, 3 meetings of the Audit Committee were convened in total to consider relevant matters.

We have appointed Shanxi Securities International Capital Limited as our compliance adviser to advise the Directors and the management team on Hong Kong Listing Rules matters.

We require all directors, supervisors, senior management and employees to act honestly and ethically at all times, to the extent permitted by applicable law, and to comply fully with our Code of Conduct. The Code of Conduct outlines prohibited types of behaviour and imposes strict rules on charitable donations and sponsorships and hospitality expenses to minimize the risk of corruption.

We will continue to seek advice from law firms in other jurisdictions in which we currently operate, or may operate in the future, in order to keep abreast of applicable local laws and regulations. We will continue to arrange for various trainings to be provided from time to time by our external legal advisers and/or any appropriate accredited organizations to keep our directors, supervisors, senior management and relevant employees up-to-date with the laws and regulations of the jurisdictions in which we currently operate or may operate in the future.





## Management Discussion and Analysis

The Company has formulated its disclosure policy to provide general guidelines to the directors, supervisors, senior management and relevant employees of the Company in handling confidential information, monitoring disclosure of information and whistleblowing protocols.

The Board recognizes its responsibility for the risk management and internal control systems and reviews the effectiveness of these risk management and internal control systems. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Company has established internal audit and risk prevention and control functions with the objective of helping the Company to achieve its objectives by adopting a systematic and disciplined approach to evaluate and improve the effectiveness of the Company's risk management and internal control system and to address significant internal control deficiencies. The Board has reviewed the effectiveness of the Company's internal audit system and risk management and internal control system, including the adequacy of the Company's resources, staff qualifications and experience in the above systems and the Company's accounting, internal audit and financial reporting functions, as well as the adequacy of staff training programs and budget.

The Audit Committee attaches great importance to the Company's internal control management, promotes the effective implementation of internal control measures by all departments and subsidiaries of the Company, and ensures that the Company will carry out the internal control review tasks satisfactorily for the proper execution of the Company's production and operation activities. The Company conducts annual reviews and evaluations of its risk management and internal control system during the reporting period.

## OTHER INFORMATION

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

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the Reporting Period (including the sale of treasury shares). As at June 30, 2025, the Company did not hold any treasury shares.

### Disclosure of Interests and Short Positions of Directors, Supervisors and Chief Executives of the Company

As at June 30, 2025, none of our Directors or Supervisors has any interest and/or short position in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will be 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 interest or short position which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules, to be notified to the Company once the Shares are listed on the Hong Kong Stock Exchange.

### Interests or Short Positions of Substantial Shareholders in the Shares and Underlying Shares of the Company

As at June 30, 2025, so far as it was known to the Directors or chief executives of the Company, the following persons (other than the Directors and chief executives of the Company) had interests and/or short positions in the Shares or underlying Shares which are required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or had interests or short positions in 5% or more of the respective type of Shares which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Nature of Interest	Number and class of shares*	Approximate percentage of shares in relevant class of shares	Approximate percentage of the Company's issued share capital
Shanxi CIG <sup>(1)</sup>	Beneficial owner	980,000,000 Domestic Shares (L)	100.00%	72.81%
	Interest in controlled corporation	20,000,000 Domestic Shares (L)		
SSCO	Interest in controlled corporation	1,000,000,000 Domestic Shares (L)	100.00%	72.81%
Shanxi SASAC	Interest in controlled corporation	1,000,000,000 Domestic Shares (L)	100.00%	72.81%
明陽智慧能源集團股份公司	Beneficial owner	98,792,000 H Shares (L)	26.45%	7.19%
香港勵駿建安投資有限公司	Beneficial owner	61,238,000 H Shares (L)	16.40%	4.46%
海南天堃私募股權投資基金管理有限公司 <sup>(2)</sup>	Interest in controlled corporation	65,668,000 H Shares (L)	17.58%	4.78%
JinYi Capital Multi-Strategy Fund SPC Ltd-SMA SP FUND	Beneficial owner	59,546,000 H Shares (L)	15.94%	4.34%



## Other Information

Name of Shareholder	Nature of Interest	Number and class of shares*	Approximate percentage of shares in relevant class of shares	Approximate percentage of the Company's issued share capital
金洛(深圳)私募股權投資 基金管理有限公司 <sup>(3)</sup>	Interest in controlled corporation	42,872,000 H Shares (L)	11.48%	3.12%
海南天坤神奕私募股權投資 基金合夥企業 (有限合夥) <sup>(2)(3)</sup>	Beneficial owner	42,872,000 H Shares (L)	11.48%	3.12%
海南天坤仙凝私募股權投資 基金合夥企業 (有限合夥) <sup>(2)(6)</sup>	Beneficial owner	22,796,000 H Shares (L)	6.10%	1.66%
江蘇萬威電氣有限公司 <sup>(6)</sup>	Interest in controlled corporation	22,796,000 H Shares (L)	6.10%	1.66%
海南景泰精準股權私募 基金二期合夥企業 (有限合夥) <sup>(4)(5)</sup>	Beneficial owner	34,779,000 H Shares (L)	9.31%	2.53%
四川華之燁電力設計 有限公司 <sup>(4)</sup>	Interest in controlled corporation	34,778,000 H Shares (L)	9.31%	2.53%
景泰創業投資私募基金 管理(海南)合夥企業 (有限合夥) <sup>(5)</sup>	Interest in controlled corporation	34,778,000 H Shares (L)	9.31%	2.53%
GaoTeng Overseas Private Fund Management (Hainan) Ltd. <sup>(7)</sup>	Beneficial owner	21,252,000 H Shares (L)	5.69%	1.55%
西安山工國際建築工程 有限公司 <sup>(7)</sup>	Interest in controlled corporation	21,252,000 H Shares (L)	5.69%	1.55%
GaoTeng Global Asset Management Limited <sup>(7)</sup>	Interest in controlled corporation	21,252,000 H Shares (L)	5.69%	1.55%

Notes:

- (1) Shanxi CIG directly holds 980,000,000 Domestic Shares and holds 20,000,000 Domestic Shares through 上海榮大投資管理有限公司, its wholly-owned subsidiary.
- (2) 海南天堃私募基金管理有限公司 is the general partner of 海南天坤神奕私募基金合夥企業(有限合夥) and 海南天坤仙凝私募基金合夥企業(有限合夥). By virtue of the SFO, 海南天堃私募基金管理有限公司 is deemed to be interested in the shares held by 海南天坤神奕私募基金合夥企業(有限合夥) and 海南天坤仙凝私募基金合夥企業(有限合夥).
- (3) 金洛(深圳)私募基金管理有限公司 holds 76.76% of the shares in 海南天坤神奕私募基金合夥企業(有限合夥). By virtue of the SFO, 金洛(深圳)私募基金管理有限公司 is deemed to be interested in the shares held by 海南天坤神奕私募基金合夥企業(有限合夥).
- (4) 四川華之燁燦電力設計有限公司 holds 52% of the shares in 海南景泰精準股權私募基金二期合夥企業(有限合夥). By virtue of the SFO, 四川華之燁燦電力設計有限公司 is deemed to be interested in the shares held by 海南景泰精準股權私募基金二期合夥企業(有限合夥).
- (5) 景泰創業投資私募基金管理(海南)合夥企業(有限合夥) is the general partner of 海南景泰精準股權私募基金二期合夥企業(有限合夥). By virtue of the SFO, 景泰創業投資私募基金管理(海南)合夥企業(有限合夥) is deemed to be interested in the shares held 海南景泰精準股權私募基金二期合夥企業(有限合夥).
- (6) 江蘇萬威電氣有限公司 holds 99.98% of the shares in 海南天坤仙凝私募基金合夥企業(有限合夥). By virtue of the SFO, 江蘇萬威電氣有限公司 is deemed to be interested in the shares held by 海南天坤仙凝私募基金合夥企業(有限合夥).
- (7) 西安山工國際建築工程有限公司 holds 100% of the shares in GaoTeng Global Asset Management Limited, and GaoTeng Global Asset Management Limited holds 100% of the shares in GaoTeng Overseas Private Fund Management (Hainan) Ltd. By virtue of the SFO, GaoTeng Global Asset Management Limited is deemed to be interested in the shares held by GaoTeng Overseas Private Fund Management (Hainan) Ltd.

Save as disclosed above, to the best knowledge of the Company, as at June 30, 2025, no person (other than the Directors and chief executives) had informed the Company that he/she had interests or short positions in the Shares or underlying Shares of equity derivatives of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, or held any interests or short positions in 5% or more of the respective types of capital in issue of the Company.

## Other Information

### Use of Net Proceeds

The total net proceeds from the issue of new H Shares by the Company in its listing on the Hong Kong Stock Exchange amounted to approximately HK\$738.5 million, after deducting the underwriting commission and other expenses payable by the Company in connection with the global offering of the Company.

	Net proceeds intended to be distributed according to the prospectus (HK\$ millions)	Unutilized net proceeds as of January 1, 2025 (HK\$ millions)	Actual use of proceeds during the Reporting Period (HK\$ millions)	Net proceeds unutilized during the Reporting Period (HK\$ millions)	Expected timeframe for utilizing the remaining unutilized net proceeds
For financing our future centralized photovoltaic projects	147.6	142.0	—	142.0	To be utilized before end of 2026
For financing our investment in existing and future distributed photovoltaic projects	73.9	73.9	—	73.9	To be utilized before end of 2026
For our future investment in wind power projects in the PRC or abroad	73.9	73.9	33.4	40.5	To be utilized before end of 2027
For financing the future equity investment in and/or construction of other types of new energy projects	73.9	57.7	40.4	17.3	To be utilized before end of 2027
For financing our existing and future clean heating projects	29.5	27.7	15.8	11.9	To be utilized before end of 2027
For financing our future distributed energy projects	36.9	36.9	—	36.9	To be utilized before end of 2027
For financing our existing water treatment projects	36.9	36.9	14.9	22.0	To be utilized before end of 2027
For financing our future solid waste disposal projects	29.5	24.1	8.8	15.3	To be utilized before end of 2027
For paying up the registered capital of the project company and the payment of construction fee of the existing service concession project	22.2	22.2	—	22.2	To be utilized before end of 2025
For making payment of the construction fee for equipment required for the existing service concession project	36.9	0.5	—	0.5	To be utilized before end of 2025



## Other Information

	Net proceeds intended to be distributed according to the prospectus (HK\$ millions)	Unutilized net proceeds as of January 1, 2025 (HK\$ millions)	Actual use of proceeds during the Reporting Period (HK\$ millions)	Net proceeds unutilized during the Reporting Period (HK\$ millions)	Expected timeframe for utilizing the remaining unutilized net proceeds
For our existing and future service concession projects including the service concession project of Urban Flood Control and Drainage and Comprehensive Treatment of Ecological Environment in Zhangzi County, Changzhi City	44.3	44.3	—	44.3	To be utilized before end of 2025
For financing new energy projects of upstream and downstream manufacturing industries, major expenditures including the payment used in purchase of tower production line equipment and related ancillary facilities, purchase of raw materials	73.9	73.9	13.0	60.9	To be utilized before end of 2026
For working capital and other general corporate purposes	59.1	7.7	4.1	3.6	To be utilized before end of 2027
Total	738.5	621.7	130.4	491.3	

As at the end of the Reporting Period, approximately RMB491.3 million of the net proceeds remains unutilized. On August 27, 2025, the Board convened the forty-seventh meeting of the first session of the Board, pursuant to which it approved a change in use of the unutilized net proceeds (the **"Proposed Change in the Use of Proceeds"**). The Proposed Change in the Use of Proceeds is subject to the approval of the Shareholders by way of ordinary resolution. For details, please refer to the announcement of the Company dated August 27, 2025.



### **Compliance with the CG Code**

The Company believes that maintaining high standards of corporate governance is the foundation for effective management and successful business growth. The Company is committed to developing and maintaining robust corporate governance practices to safeguard the interests of Shareholders and to enhance corporate value, accountability and transparency of the Company.

The Company has adopted the principles and code provisions of the CG Code as the basis of the Company's corporate governance practices. The Board is of the view that during the Reporting Period, the Company has complied with all the code provisions and substantially satisfied most of the recommended best practices requirements as set out in Part 2 of the CG Code. The Board will continue to review and monitor the code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

### **Model Code for Securities Transactions by Directors and Supervisors**

The Company has adopted the Model Code as its code of conduct regarding dealings in the securities of the Company by the Directors and the Supervisors who, because of their office or employment, are likely to possess inside information in relation to the Company or the Company's securities.

The Company has maintained a system in monitoring the dealings of the Company's securities by Directors and Supervisors (including a notification mechanism) to ensure compliance with the Model Code. In particular, the Company will notify all Directors and Supervisors the blackout period before the commencement of such blackout period, reminding the Directors and Supervisors not to deal in the Company's securities during the blackout periods before the announcement of results. The Board is of the view that the guidelines and procedures for the Directors' and the Supervisors' dealings of securities in the Company are adequate and effective.

The Company had made specific enquiry of all Directors and Supervisors that during the Reporting Period, all Directors and Supervisors of the Company did not hold any securities of the Company, and all Directors and Supervisors have confirmed that they were in strict compliance with the standards as set out in the Model Code.

### **Review of Interim Report**

As at the Latest Practicable Date, the Audit Committee consisted of three independent non-executive Directors, namely Professor WU Qiusheng, Mr. FENG Cheng and Mr. WANG Jingming, and was chaired by Professor WU Qiusheng.

The Audit Committee of the Company has reviewed the unaudited 2025 Interim Report, and is of the view that the unaudited 2025 Interim Report is in compliance with the applicable accounting standards, relevant laws and regulations, and has made adequate disclosure.

### **Changes in Personnel and Information on Directors and Supervisors**

During the Reporting Period, with effect from 22 May 2025, Mr. WANG Limin resigned as an executive director, chairman of the Board and chairman of the Nomination Committee. With effect from the same date, Mr. REN Rui resigned as vice chairman of the Board and general manager of the Company and continues to serve as an executive Director.

At the 43rd meeting of the first session of the Board held on 22 May 2025, the Board elected Mr. REN Rui to succeed Mr. WANG Limin as chairman of the Board and chairman of the Nomination Committee for a term commencing on that date and ending upon the establishment of the second session of the Board. On the same date, Mr. WANG Limin ceased to be, and Mr. REN Rui was appointed as, an authorised representative of the Company under Rule 3.05 of the Hong Kong Listing Rules, in each case with effect from 22 May 2025. For further details, please refer to the announcement of the Company dated 22 May 2025.

On 26 June 2025, Ms. SHIN Chuck Yin was appointed as a member of the Nomination Committee. For further details, please refer to the announcement of the Company dated 26 June 2025.

Saved as disclosed above, during the Reporting Period, there were no other changes in the information on the Directors and Supervisors required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

### **Employee and Remuneration Policies**

As at June 30, 2025, the Group had 3,605 full-time employees, and the majority of them are based in Taiyuan, Shanxi Province. Staff costs during the Reporting Period, including directors' emoluments, totalled approximately RMB336 million (as at December 31, 2024: approximately RMB623 million). The Company enters into written employment agreements with our direct employees to specify the employee's position, responsibilities, remuneration, benefits and grounds of termination pursuant to relevant labor laws and regulations. We also have employees under labor dispatch agreements.

We believe that our long-term growth depends on the expertise, experience and development of our employees. We mainly recruit through recruitment fairs and on-campus recruitment. We have established a training system for our employees, based on their responsibilities, covering professional knowledge, technical, operational and managerial skills, corporate culture, internal control and other areas. Such programs are designed to foster career development of our employees and invest in the future of our human resources. At the same time, we have established a practice certificate incentive mechanism to encourage employees to obtain practice qualification certificates, forming a good learning atmosphere. The remuneration package for our employees generally includes salaries, bonuses and welfare benefits. In addition, we make contributions to social insurance fund, including pension, medical, unemployment, maternity and occupational injury insurance, and housing provident fund for our employees.

### **Significant Events after the Reporting Period**

Since the end of the Reporting Period and up to the Latest Practicable Date, there were no events that had a significant impact on the Group.

# CONSOLIDATED AND COMPANY BALANCE SHEET

Prepared by: Shanxi Installation Group Co., Ltd.

Unit: RMB thousand

Item	Notes	June 30, 2025 (unaudited)		December 31, 2024	
		Consolidated	Company	Consolidated	Company
<b>Current assets:</b>					
Cash	V.1	2,240,848	1,797,005	2,626,837	2,082,375
Tradable financial assets		—	—	—	—
Bill receivables	V.2	78,757	63,580	126,061	125,732
Trade receivables	V.3, XIV.1	6,588,072	5,981,293	5,960,673	5,367,027
Receivables financing	V.4	74,686	46,686	69,252	55,526
Prepayments	V.5	511,260	298,892	517,669	204,645
Other receivables	V.6, XIV.2	745,494	1,792,886	751,414	1,785,833
Including: Interest receivables		—	—	—	—
Dividend receivables		1,523	21,523	1,523	21,523
Inventories	V.7	462,613	425,361	298,113	266,851
Including: Data resources		—	—	—	—
Contract assets	V.8, XIV.3	6,862,155	6,707,493	6,425,844	6,275,307
Assets held for sale		—	—	—	—
Non-current assets due within one year		—	—	—	—
Other current assets	V.9	286,987	3,318	413,565	148,232
<b>Total current assets</b>		<b>17,850,872</b>	<b>17,116,514</b>	<b>17,189,428</b>	<b>16,311,528</b>
<b>Non-current assets:</b>					
Investments in debentures		—	—	—	—
Investments in other debentures		—	—	—	—
Long-term receivables		—	—	—	—
Long-term equity investments	V.10, XIV.4	266,779	1,599,003	210,245	1,483,469
Investments in other equity instruments	V.11	149,406	149,406	147,832	147,832
Other non-current financial assets					
Investment properties	V.12	188,747	188,747	187,722	187,722
Fixed assets	V.13	1,045,191	147,640	1,077,794	151,274
Construction-in-progress	V.14	221,574	—	203,907	—
Productive biological assets		—	—	—	—
Oil and gas assets		—	—	—	—
Right-of-use assets	V.15	147,725	29,837	153,119	36,118
Intangible assets	V.16	188,847	63,523	174,677	64,369
Including: Data resources		161	—	170	—
Development expenditures		—	—	—	—
Including: Data resources		—	—	—	—
Goodwill	V.17	15,000	—	15,000	—
Long-term deferred expenses	V.18	6,147	—	193	67
Deferred income tax assets	V.19	167,724	93,595	179,492	90,563
Other non-current assets	V.20	4,895,784	923,718	4,584,752	888,245
<b>Total non-current assets</b>		<b>7,292,924</b>	<b>3,195,469</b>	<b>6,934,733</b>	<b>3,049,659</b>
<b>Total assets</b>		<b>25,143,796</b>	<b>20,311,983</b>	<b>24,124,161</b>	<b>19,361,187</b>

## Consolidated and Company Balance Sheet

Item	Notes	June 30, 2025 (unaudited)		December 31, 2024	
		Consolidated	Company	Consolidated	Company
<b>Current liabilities:</b>					
Short-term borrowings	V.22	1,965,582	1,594,046	2,400,646	2,188,854
Tradable financial liabilities					
Bill payables	V.23	2,446,108	2,759,208	1,888,383	2,028,383
Trade payables	V.24	10,131,027	9,835,255	9,492,423	9,175,878
Receipt in advance		—	—	—	—
Contract liabilities	V.25	1,427,704	1,472,443	1,357,031	1,375,331
Employee remuneration payables	V.26	70,775	65,055	82,075	76,418
Tax payables	V.27	51,667	19,533	57,554	18,874
Other payables	V.28	522,992	574,550	583,394	671,294
Including: Interest payables		—	—	—	—
Dividend payables		71,678	71,678	71,678	71,678
Liabilities held for sale		—	—	—	—
Non-current liabilities due within one year	V.29	760,050	500,151	767,873	500,325
Other current liabilities	V.30	498,047	431,274	872,591	815,652
<b>Total current liabilities</b>		<b>17,873,952</b>	<b>17,251,515</b>	<b>17,501,970</b>	<b>16,851,009</b>
<b>Non-current liabilities:</b>					
Long-term borrowings	V.31	3,576,206	772,689	2,970,909	308,506
Bonds payables		—	—	—	—
Lease liabilities	V.32	144,291	22,943	140,084	26,192
Long-term payables		—	—	—	—
Long-term employee remuneration payables	V.33	28,830	28,830	30,280	30,280
Estimated liabilities		—	—	—	—
Deferred income	V.34	25,562	—	27,000	—
Deferred income tax liabilities	V.19	91,607	24,085	110,562	24,638
Other non-current liabilities		—	—	—	—
<b>Total non-current liabilities</b>		<b>3,866,496</b>	<b>848,547</b>	<b>3,278,835</b>	<b>389,616</b>
<b>Total liabilities</b>		<b>21,740,448</b>	<b>18,100,062</b>	<b>20,780,805</b>	<b>17,240,625</b>
<b>Equity of shareholders:</b>					
Share capital	V.35	1,373,486	1,373,486	1,373,486	1,373,486
Capital reserve	V.36	650,993	620,057	650,867	620,057
Less: Treasury shares		—	—	—	—
Other comprehensive income	V.37	85,815	83,783	84,512	82,436
Special reserve	V.38	14,695	13,316	2,835	1,809
Surplus reserve	V.39	20,220	20,220	12,370	12,370
Undistributed profit	V.40	695,581	101,059	640,148	30,404
<b>Total equity attributable to shareholders of the parent company</b>		<b>2,840,790</b>	<b>2,211,921</b>	<b>2,764,218</b>	<b>2,120,562</b>
Minority interests		562,558	—	579,138	—
<b>Total equity of shareholders</b>		<b>3,403,348</b>	<b>2,211,921</b>	<b>3,343,356</b>	<b>2,120,562</b>
<b>Total liabilities and equity of shareholders</b>		<b>25,143,796</b>	<b>20,311,983</b>	<b>24,124,161</b>	<b>19,361,187</b>

Legal representative of the Company: Ren Rui

Person in charge of accounting work in the Company: Zhou Saimei

Person in charge of the accounting organization of the Company: Xue Bowen



# CONSOLIDATED AND COMPANY INCOME STATEMENT

Prepared by: Shanxi Installation Group Co., Ltd.

Unit: RMB thousand

Item	Notes	January to June 2025 (unaudited)		January to June 2024 (unaudited)	
		Consolidated	Company	Consolidated	Company
<b>I. Operating revenue</b>	V.41, XIV.5	<b>5,614,375</b>	<b>5,192,675</b>	6,012,233	5,481,413
Less: Operating costs	V.41, XIV.5	<b>5,015,697</b>	<b>4,720,909</b>	5,410,480	4,999,436
Taxes and surcharges	V.42	<b>14,559</b>	<b>11,325</b>	13,047	9,783
Selling expenses	V.43	<b>650</b>	<b>—</b>	643	—
Management expenses	V.44	<b>230,110</b>	<b>195,481</b>	224,750	191,548
Research and development expenses	V.45	<b>172,876</b>	<b>156,270</b>	135,481	119,216
Finance expenses	V.46	<b>38,729</b>	<b>90,382</b>	62,394	103,806
Including: Interest expenses	V.46	<b>172,516</b>	<b>105,864</b>	187,078	117,790
Interest income	V.46	<b>136,456</b>	<b>17,531</b>	124,417	13,652
Add: Other gains	V.47	<b>3,033</b>	<b>575</b>	3,691	1,948
Investment gains (losses are expressed in “—”)	V.48, XIV.6	<b>-2,228</b>	<b>89,003</b>	-705	-705
Including: Gains on investment in associates and joint ventures		<b>-2,016</b>	<b>-971</b>	-705	-705
Derecognized income from financial assets at amortized costs (losses are expressed in “—”)		<b>—</b>	<b>—</b>	—	—
Hedging income from net exposure (losses are expressed in “—”)		<b>—</b>	<b>—</b>	—	—
Gains on change of fair value (losses are expressed in “—”)	V.49	<b>1,025</b>	<b>1,025</b>	-524	-524
Credit impairment losses (losses are expressed in “—”)	V.50	<b>-23,946</b>	<b>-18,590</b>	-34,698	-30,159
Asset impairment losses (losses are expressed in “—”)	V.51	<b>-16,424</b>	<b>-11,297</b>	-22,540	-19,623
Gains on disposal of assets (losses are expressed in “—”)	V.52	<b>435</b>	<b>435</b>	2,970	2,970
<b>II. Operating profit (losses are expressed in “—”)</b>		<b>103,649</b>	<b>79,459</b>	113,632	11,531
Add: Non-operating revenue	V.53	<b>190</b>	<b>73</b>	5	5
Less: Non-operating expenses	V.54	<b>305</b>	<b>27</b>	182	

## Consolidated and Company Income Statement

Item	Notes	January to June 2025 (unaudited)		January to June 2024 (unaudited)	
		Consolidated	Company	Consolidated	Company
<b>III.Total profit (total losses are expressed in “-”)</b>		<b>103,534</b>	<b>79,505</b>	113,455	11,536
Less: Income tax expenses	V.55	<b>13,186</b>	<b>1,000</b>	-2,288	-14,447
<b>IV.Net profit (net losses are expressed in “-”)</b>		<b>90,348</b>	<b>78,505</b>	115,743	25,983
(I) Classified by operating continuity:					
Including: Net profit from continuing operations (net loss is expressed in “-”)		<b>90,348</b>	<b>78,505</b>	115,743	25,983
Net profit from discontinued operations (net loss is expressed in “-”)		—	—	—	—
(II) Classified by ownership:					
Including: Net profit attributable to shareholders of the parent company (net loss is expressed in “-”)		<b>63,283</b>	<b>78,505</b>	89,474	25,983
Minority interests (net loss is expressed in “-”)		<b>27,065</b>		26,269	
<b>V. Other comprehensive income, net of tax</b>		<b>1,303</b>	<b>1,347</b>	-4,232	-5,890
Other comprehensive income attributable to shareholders of the parent company, net of tax		<b>1,303</b>	<b>1,347</b>	-4,232	-5,890
(I) Other comprehensive income that cannot be reclassified into profit or loss		<b>1,347</b>	<b>1,347</b>	-5,890	-5,890
1. Changes in remeasurement of defined benefit plan		<b>9</b>	<b>9</b>	-510	-510
2. Other comprehensive income that cannot be transferred to profit or loss under equity method		—	—	—	—
3. Fair value change of investment in other equity instruments		<b>1,338</b>	<b>1,338</b>	-5,380	-5,380
4. Fair value change of the enterprise’s own credit risks		—	—	—	—
5. Others		—	—	—	—

## Consolidated and Company Income Statement

Item	Notes	January to June 2025 (unaudited)		January to June 2024 (unaudited)	
		Consolidated	Company	Consolidated	Company
(II) Other comprehensive income that will be reclassified into profit or loss		-44		1,658	
1. Other comprehensive income that can be transferred to profit or loss under equity method		—	—	—	—
2. Fair value change of investment in other debentures		—	—	—	—
3. Amount of financial assets reclassified into other comprehensive income		—	—	—	—
4. Credit impairment provision for investment in other debentures		—	—	—	—
5. Reserve for cash flow hedge		—	—	—	—
6. Translation differences on financial statements of foreign currencies		-44		1,658	
Other comprehensive income attributable to minority shareholders, net of tax		—	—	—	—
<b>VI. Total comprehensive income</b>		<b>91,651</b>	<b>79,852</b>	111,511	20,093
Total comprehensive income attributable to shareholders of the parent company		<b>64,586</b>	<b>79,852</b>	85,242	20,093
Total comprehensive income attributable to minority shareholders		<b>27,065</b>	—	26,269	—
<b>VII. Earnings per share</b>					
(I) Basic earnings per share (RMB/share)		<b>0.05</b>	—	0.07	—
(II) Diluted earnings per share (RMB/share)		<b>0.05</b>	—	0.07	—

Legal representative of the Company: Ren Rui

Person in charge of accounting work in the Company: Zhou Saimei

Person in charge of the accounting organization of the Company: Xue Bowen

# CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS

Prepared by: Shanxi Installation Group Co., Ltd.

Unit: RMB thousand

Item	Notes	January to June 2025 (unaudited)		January to June 2024 (unaudited)	
		Consolidated	Company	Consolidated	Company
<b>I. Cash flows from operating activities:</b>					
Cash received from sale of goods and rendering of services		4,745,047	4,591,184	5,535,052	5,246,973
Refund of taxes and levies received		—	—	—	—
Cash received relating to other operating activities	V.56	1,204,805	1,448,690	688,764	716,101
<b>Sub-total of cash inflow from operating activities</b>		<b>5,949,852</b>	<b>6,039,874</b>	<b>6,223,816</b>	<b>5,963,074</b>
Cash paid for purchase of goods and receipt of services		4,800,843	4,641,175	4,996,586	4,857,565
Cash paid to and on behalf of employees		336,468	176,376	280,068	181,377
Payments for taxes and levies		116,587	71,893	106,262	65,245
Cash paid relating to other operating activities	V.56	773,899	1,008,509	786,257	1,129,361
<b>Sub-total of cash outflow from operating activities</b>		<b>6,027,797</b>	<b>5,897,953</b>	<b>6,169,173</b>	<b>6,233,548</b>
<b>Net cash flows from operating activities</b>		<b>-77,945</b>	<b>141,921</b>	<b>54,643</b>	<b>-270,474</b>
<b>II. Cash flows from investing activities:</b>					
Cash received from recovery of investments		—	—	—	—
Cash received from returns on investments		—	90,268	910	910
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		16	16	—	—
Net cash received from disposal of subsidiaries and other business units		—	—	—	—
Cash received relating to other investing activities		—	—	—	—
<b>Sub-total of cash inflow from investing activities</b>		<b>16</b>	<b>90,284</b>	<b>910</b>	<b>910</b>
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets		27,769	242	147,037	189
Cash paid for investments		57,500	116,504	—	14,600
Net cash paid for acquiring subsidiaries and other business units		369	—	—	—
Cash paid relating to other investing activities		—	—	—	14,790
<b>Sub-total of cash outflow from investing activities</b>		<b>85,638</b>	<b>116,746</b>	<b>147,037</b>	<b>29,579</b>
<b>Net cash flows from investing activities</b>		<b>-85,622</b>	<b>-26,462</b>	<b>-146,127</b>	<b>-28,669</b>

## Consolidated and Company Statement of Cash Flows

Item	Notes	January to June 2025 (unaudited)		January to June 2024 (unaudited)	
		Consolidated	Company	Consolidated	Company
<b>III. Cash flows from financing activities:</b>					
Cash received from capital contribution		800	—	11,920	—
Including: Cash received by subsidiaries from capital contribution of minority shareholders		800	—	11,920	—
Cash received from borrowings		2,580,593	1,931,075	2,551,764	2,069,095
Cash received relating to other financing activities		—	—	—	—
<b>Sub-total of cash inflow from financing activities</b>		<b>2,581,393</b>	<b>1,931,075</b>	2,563,684	2,069,095
Cash paid for repayment of debts		2,415,879	2,058,881	1,824,873	1,196,313
Cash paid for distribution of dividends and profits or payment of interest		229,217	119,316	184,169	118,286
Including: Dividends and profits paid by subsidiaries to minority shareholders		44,000	—	—	—
Cash paid relating to other financing activities	V.56	8,762	5,570	5,545	4,684
<b>Sub-total of cash outflow from financing activities</b>		<b>2,653,858</b>	<b>2,183,767</b>	2,014,587	1,319,283
<b>Net cash flows from financing activities</b>		<b>-72,465</b>	<b>-252,692</b>	549,097	749,812
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>		<b>-3</b>	<b>—</b>	756	57
<b>V. Net increase in cash and cash equivalents</b>		<b>-236,035</b>	<b>-137,233</b>	458,369	450,726
Add: Cash and cash equivalents at the beginning of period		2,200,843	1,659,812	2,090,163	1,538,309
<b>VI. Cash and cash equivalents at the end of period</b>		<b>1,964,808</b>	<b>1,522,579</b>	2,548,532	1,989,035

Legal representative of the Company: Ren Rui

Person in charge of accounting work in the Company: Zhou Saimei

Person in charge of the accounting organization of the Company: Xue Bowen



# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Prepared by: Shanxi Installation Group Co., Ltd.

Unit: RMB thousand

Item	January to June 2025 (unaudited)								
	Equity attributable to shareholders of the parent company								
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Minority interest	Total shareholders' equity
<b>I. Balance at the end of last year</b>	1,373,486	650,867	—	84,512	2,835	12,370	640,148	579,138	3,343,356
Add: Changes in accounting policies	—	—	—	—	—	—	—	—	—
Correction of errors of previous periods	—	—	—	—	—	—	—	—	—
Business combination under common control	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—
<b>II. Balance at the beginning of the year</b>	1,373,486	650,867	—	84,512	2,835	12,370	640,148	579,138	3,343,356
<b>III. Increase/decrease during the year (decrease is expressed in “-”)</b>	—	126	—	1,303	11,860	7,850	55,433	-16,580	59,992
(I) Total comprehensive income	—	—	—	1,303	—	—	63,283	27,065	91,651
(II) Capital contribution and reduction by shareholders	—	126	—	—	—	—	—	265	391
1. Share capital from shareholders	—	—	—	—	—	—	—	800	800
2. Amount of share-based payment included in shareholders' equity	—	—	—	—	—	—	—	—	—
3. Others	—	126	—	—	—	—	—	-535	-409
(III) Profit appropriation	—	—	—	—	—	7,850	-7,850	-44,000	-44,000
1. Withdrawal from surplus reserve	—	—	—	—	—	7,850	-7,850	—	—
2. Appropriation to shareholders	—	—	—	—	—	—	—	-44,000	-44,000
3. Others	—	—	—	—	—	—	—	—	—
(IV) Internal transfer of shareholders' equity	—	—	—	—	—	—	—	—	—
1. Conversion of capital reserve into share capital	—	—	—	—	—	—	—	—	—
2. Conversion of surplus reserve into share capital	—	—	—	—	—	—	—	—	—
3. Making up losses	—	—	—	—	—	—	—	—	—
4. Transfer of other comprehensive income to retained earnings	—	—	—	—	—	—	—	—	—
5. Others	—	—	—	—	—	—	—	—	—
(V) Special reserve	—	—	—	—	11,860	—	—	90	11,950
1. Withdrawn during the period	—	—	—	—	90,847	—	—	804	91,651
2. Utilized during the period	—	—	—	—	-78,987	—	—	-714	-79,701
(VI) Others	—	—	—	—	—	—	—	—	—
<b>IV. Balance at the end of the year</b>	1,373,486	650,993	—	85,815	14,695	20,220	695,581	562,558	3,403,348

Legal representative of the Company: Ren Rui

Person in charge of the accounting organization of the Company: Zhou Saimei

Person in charge of accounting work in the Company: Xue Bowen

# Consolidated Statement of Changes in Shareholders' Equity

Prepared by: Shanxi Installation Group Co., Ltd.

Unit: RMB thousand

Item	January to June 2024 (unaudited)								
	Equity attributable to shareholders of the parent company								Total shareholders' equity
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Minority interest	
I. Balance at the end of last year	1,373,486	650,867	—	82,249	751	10,061	492,730	515,661	3,125,805
Add: Changes in accounting policies	—	—	—	—	—	—	—	—	—
Correction of errors of previous periods	—	—	—	—	—	—	—	—	—
Business combination under common control	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—
II. Balance at the beginning of the year	1,373,486	650,867	—	82,249	751	10,061	492,730	515,661	3,125,805
III. Increase/decrease during the year (decrease is expressed in “-”)	—	—	—	-4,232	14,648	2,599	83,190	39,110	135,315
(I) Total comprehensive income	—	—	—	-4,232	—	—	89,474	26,269	111,511
(II) Capital contribution and reduction by shareholders	—	—	—	—	—	—	—	11,920	11,920
1. Share capital from shareholders	—	—	—	—	—	—	—	11,920	11,920
2. Amount of share-based payment included in shareholders' equity	—	—	—	—	—	—	—	—	—
3. Others	—	—	—	—	—	—	—	—	—
(III) Profit appropriation	—	—	—	—	—	2,599	-6,284	—	-3,685
1. Withdrawal from surplus reserve	—	—	—	—	—	2,599	-2,599	—	—
2. Appropriation to shareholders	—	—	—	—	—	—	-3,685	—	-3,685
3. Others	—	—	—	—	—	—	—	—	—
(IV) Internal transfer of shareholders' equity	—	—	—	—	—	—	—	—	—
1. Conversion of capital reserve into share capital	—	—	—	—	—	—	—	—	—
2. Conversion of surplus reserve into share capital	—	—	—	—	—	—	—	—	—
3. Making up losses	—	—	—	—	—	—	—	—	—
4. Transfer of other comprehensive income to retained earnings	—	—	—	—	—	—	—	—	—
5. Others	—	—	—	—	—	—	—	—	—
(V) Special reserve	—	—	—	—	14,648	—	—	921	15,569
1. Withdrawn during the period	—	—	—	—	88,054	—	—	1,185	89,239
2. Utilized during the period	—	—	—	—	-73,406	—	—	-264	-73,670
(VI) Others	—	—	—	—	—	—	—	—	—
IV. Balance at the end of the year	1,373,486	650,867	—	78,017	15,399	12,660	575,920	554,771	3,261,120

Legal representative of the Company: Ren Rui

Person in charge of the accounting organization of the Company: Zhou Saimei

Person in charge of accounting work in the Company: Xue Bowen

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE COMPANY

Prepared by: Shanxi Installation Group Co., Ltd.

Unit: RMB thousand

Item	January to June 2025 (unaudited)							Total shareholders' equity
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	
<b>I. Balance at the end of last year</b>	1,373,486	620,057	—	82,436	1,809	12,370	30,404	2,120,562
Add: Changes in accounting policies	—	—	—	—	—	—	—	—
Correction of errors of previous periods	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—
<b>II. Balance at the beginning of the year</b>	1,373,486	620,057	—	82,436	1,809	12,370	30,404	2,120,562
<b>III. Increase/decrease during the year</b>								
(decrease is expressed in "-")	—	—	—	1,347	11,507	7,850	70,655	91,359
(I) Total comprehensive income	—	—	—	1,347	—	—	78,505	79,852
(II) Capital contribution and reduction by shareholders	—	—	—	—	—	—	—	—
1. Ordinary shares from shareholders	—	—	—	—	—	—	—	—
2. Amount of share-based payment included in shareholders' equity	—	—	—	—	—	—	—	—
3. Others	—	—	—	—	—	—	—	—
(III) Profit appropriation	—	—	—	—	—	7,850	-7,850	—
1. Withdrawal from surplus reserve	—	—	—	—	—	7,850	-7,850	—
2. Appropriation to shareholders	—	—	—	—	—	—	—	—
3. Others	—	—	—	—	—	—	—	—
(IV) Internal transfer of shareholders' equity	—	—	—	—	—	—	—	—
1. Conversion of capital reserve into share capital	—	—	—	—	—	—	—	—
2. Conversion of surplus reserve into share capital	—	—	—	—	—	—	—	—
3. Making up losses	—	—	—	—	—	—	—	—
4. Transfer of other comprehensive income to retained earnings	—	—	—	—	—	—	—	—
5. Others	—	—	—	—	—	—	—	—
(V) Special reserve	—	—	—	—	11,507	—	—	11,507
1. Withdrawn during the period	—	—	—	—	89,221	—	—	89,221
2. Utilized during the period	—	—	—	—	-77,714	—	—	-77,714
(VI) Others	—	—	—	—	—	—	—	—
<b>IV. Balance at the end of the year</b>	1,373,486	620,057	—	83,783	13,316	20,220	101,059	2,211,921

Legal representative of the Company: Ren Rui

Person in charge of accounting work in the Company: Zhou Saimei

Person in charge of the accounting organization of the Company: Xue Bowen

## Statement of Changes in Shareholders' Equity of the Company

Prepared by: Shanxi Installation Group Co., Ltd.

Unit: RMB thousand

Item	January to June 2024 (unaudited)							Total shareholders' equity
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	
<b>I. Balance at the end of last year</b>	1,373,486	620,057	—	81,156	—	10,061	13,313	2,098,073
Add: Changes in accounting policies								
Correction of errors of previous periods								
Others								
<b>II. Balance at the beginning of the year</b>	1,373,486	620,057	—	81,156	—	10,061	13,313	2,098,073
<b>III. Increase/decrease during the year</b>								
(decrease is expressed in "-")	—	—	—	-5,890	12,758	2,598	19,701	29,167
(I) Total comprehensive income	—	—	—	-5,890	—	—	25,983	20,093
(II) Capital contribution and reduction by shareholders	—	—	—	—	—	—	—	—
1. Ordinary shares from shareholders	—	—	—	—	—	—	—	—
2. Amount of share-based payment included in shareholders' equity	—	—	—	—	—	—	—	—
3. Others	—	—	—	—	—	—	—	—
(III) Profit appropriation	—	—	—	—	—	2,598	-6,282	-3,684
1. Withdrawal from surplus reserve	—	—	—	—	—	2,598	-2,598	—
2. Appropriation to shareholders	—	—	—	—	—	—	-3,684	-3,684
3. Others	—	—	—	—	—	—	—	—
(IV) Internal transfer of shareholders' equity	—	—	—	—	—	—	—	—
1. Conversion of capital reserve into share capital	—	—	—	—	—	—	—	—
2. Conversion of surplus reserve into share capital	—	—	—	—	—	—	—	—
3. Making up losses	—	—	—	—	—	—	—	—
4. Transfer of other comprehensive income to retained earnings	—	—	—	—	—	—	—	—
5. Others	—	—	—	—	—	—	—	—
(V) Special reserve	—	—	—	—	12,758	—	—	12,758
1. Withdrawn during the period	—	—	—	—	85,472	—	—	85,472
2. Utilized during the period	—	—	—	—	-72,714	—	—	-72,714
(VI) Others	—	—	—	—	—	—	—	—
<b>IV. Balance at the end of the year</b>	1,373,486	620,057	—	75,266	12,758	12,659	33,014	2,127,240

Legal representative of the Company: Ren Rui

Person in charge of accounting work in the Company: Zhou Saimei

Person in charge of the accounting organization of the Company: Xue Bowen

# NOTES TO THE FINANCIAL STATEMENTS

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

## I. BASIC INFORMATION OF THE COMPANY

Shanxi Installation Group Co., Ltd. (hereinafter referred to as the “Company”, and together with its subsidiaries referred to as the “Group”), whose predecessor was Shanxi Industrial Equipment Installation Group Co., Ltd.\* (山西省工業設備安裝集團有限公司), and was previously named as Shanxi Industrial Equipment Installation Co., Ltd.\* (山西省工業設備安裝有限公司) and Shanxi Industrial Equipment Installation Company\* (山西省工業設備安裝公司), was established in November 1989. In August 2021, the Company was converted into a wholly-owned subsidiary of Shanxi Construction Investment Group Co., Ltd.\* (山西建設投資集團有限公司) (hereinafter referred to as “Shanxi CIG”) and was approved and registered by the Shanxi Provincial Administration for Market Regulation. The business license registration number is 140000100001146, and the registered capital and paid-up capital is RMB1,000,000,000.

On September 2, 2021, Shanxi CIG transferred 2% of its equity in the Company (20,000,000 shares) to Shanghai Rongda Investment Management Co., Ltd.\* (上海榮大投資管理有限公司) at nil consideration. In December 2021, the Company was converted into a joint stock company.

In November 2023, the Company issued 373,486,000 shares of stock (H shares) to overseas investors and listed on the Main Board of Hong Kong Stock Exchange, with the stock abbreviation “SHANXI INSTALL” and stock code “02520”. After the completion of the aforementioned issuance, the total share capital increased to RMB1,373,486,000.

The registered address of the Company is No. 8, Xinhua Road, Tanghuai Industrial Park, Shanxi Transformation Comprehensive Reform Demonstration Zone, with the Unified Social Credit ID of 91140000110011149W.

The industry in which the Company operates: construction industry. The Company is principally engaged in the following businesses: specialized industrial construction contracting, specialized auxiliary construction contracting, other construction contracting, and non-construction businesses.

The direct holding company of the Company is Shanxi CIG, the ultimate holding company of the Company is Shanxi State-owned Capital Operation Co., Ltd.\* (山西省國有資本運營有限公司), and the ultimate controller of the Company is the State-owned Assets Supervision and Administration Commission of the People’s Government of Shanxi Province\* (山西省人民政府國有資產監督管理委員會).

The financial statements and notes to the financial statements were approved by the resolution of the 47th meeting of the first session of the Board of the Company on August 27, 2025.

## II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements are prepared in accordance with the China Accounting Standards for Business Enterprises and its application guidelines, interpretations, and other relevant provisions (collectively, the “Accounting Standards for Business Enterprises”) issued by the Ministry of Finance. In addition, the Company discloses relevant financial information in accordance with the China Securities Regulatory Commission’s Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 — General Provisions on Financial Reports (2023 Revision) and the Hong Kong Stock Exchange’s Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.





## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

These financial statements are presented on a going concern basis.

The Company's accounting is based on the accrual basis. Except for certain financial instruments and investment properties, these financial statements are measured on a historical cost basis. If assets become impaired, corresponding impairment provisions shall be made in accordance with relevant regulations.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Pursuant to its production and operation characteristics, the Company determines the policies for recognizing depreciation of fixed assets, amortization of intangible assets, capitalization criteria for research and development expenses and revenue. For details of accounting policies, please refer to notes III.15, III.18, III.19 and III.24.

#### 1. Statement of Compliance with Accounting Standards for Business Enterprises

These financial statements comply with the requirements of the Accounting Standards for Business Enterprises and truthfully and completely reflect the consolidated and company financial positions of the Company as at June 30, 2025, as well as the consolidated and company operating results and consolidated and company cash flows for January to June 2025.

#### 2. Accounting Period

The Company's accounting period follows the Gregorian calendar year, which starts on January 1 and ends on December 31 each year.

#### 3. Business Cycle

The Company's business cycle covers 12 months.

#### 4. Accounting Currency

The Company and its domestic subsidiaries adopt Renminbi as the accounting currency. Overseas subsidiaries of the Company adopt the currency of the primary economic environment in which they operate as their accounting currency. The currency adopted by the Company in preparing these financial statements is Renminbi.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 5. Accounting Treatment for Business Combinations Under and Not Under Common Control

##### (1) *Business combinations under common control*

For business combinations under common control, the assets and liabilities of the combined party acquired by the combining party in the combination are measured at the book value of the combined party in the consolidated financial statements of the ultimate controlling party on the combination date. Adjustment is made to the capital reserve for the difference between the book value of the consideration for the combination and the book value of the net assets acquired in the combination. Retained earnings are adjusted in case of insufficient capital reserve.

##### *Business combinations under common control through multiple transactions*

In the individual financial statements, the initial investment cost of the investment is calculated based on the share of the net assets of the combined party at book value in the consolidated financial statements of the ultimate controlling party on the combination date according to the shareholding ratio on the combination; adjustment is made to the capital reserve for the difference between the initial investment cost and the sum of the book value of the investment held before the combination and the book value of the new consideration paid on the combination date. Retained earnings are adjusted in case of insufficient capital reserve.

In the consolidated financial statements, the assets and liabilities of the combined party acquired by the combining party in the combination are measured at the book value in the consolidated financial statements of the ultimate controlling party on the combination date; adjustment is made to the capital reserve for the difference between the sum of the book value of the investment held before the combination and the book value of the new consideration paid on the combination date, and the book value of the net assets acquired in the combination. Retained earnings are adjusted in case of insufficient capital reserve. For the long-term equity investment held by the combining party before obtaining control of the combined party, from the later of the date of acquiring the original equity or the date when the combining party and the combined party are under the same ultimate control to the combination date, any recognized gains and losses, other comprehensive income and other changes in owners' equity should be offset against the retained earnings at the beginning of the comparative reporting period or the profit or loss for the period, respectively.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 5. Accounting Treatment for Business Combinations Under and Not Under Common Control (continued)

##### (2) *Business combinations not under common control*

For business combinations not under common control, the cost of combination is the fair value of the assets given, liabilities incurred or assumed, and equity securities issued to gain control over the acquiree on the acquisition date. On the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are recognized at fair value.

The excess of the cost of combination over the fair value of the identifiable net assets of the acquiree acquired in the combination is recognized as goodwill and subsequently measured at cost less accumulated impairment provision; where the cost of combination is less than the fair value of the identifiable net assets of the acquiree acquired in the combination, the difference is recognized in profit or loss for the period after verification.

##### *Business combinations not under common control through multiple transactions*

In the individual financial statements, the initial investment cost of the investment is the sum of the book value of the equity investment held in the acquiree before the acquisition date and the additional investment cost on the acquisition date. For other comprehensive income recognized as a result of equity accounting of the equity investment held before the acquisition date, such other comprehensive income is not accounted for on the acquisition date. The accounting treatment adopted when disposing of the investment will be on the same basis as the direct disposal of related assets or liabilities by the investee. Owners' equity recognized as a result of changes in other owners' equity of the investee other than net profit or loss, other comprehensive income and profit distribution is transferred to current profit or loss during the disposal period when the investment is disposed of. For the equity investment held before the acquisition date that is measured at fair value, the accumulated fair value changes originally included in other comprehensive income are transferred to retained earnings when remeasured at cost.

In the consolidated financial statements, the cost of combination is the sum of the consideration paid on the acquisition date and the acquisition-date fair value of the equity interest held in the acquiree before the acquisition date. For the equity interest held in the acquiree before the acquisition date, it is remeasured at its fair value on the acquisition date, with the difference between the fair value and its book value included in the current investment income; the equity interest held in the acquiree before the acquisition date involving other comprehensive income and changes in other owners' equity is transferred to current income on the acquisition date, except for other comprehensive income arising from changes in net liabilities or net assets due to the remeasurement of the investee's defined benefit plans.

##### (3) *Treatment of transaction costs in business combination*

The intermediary costs for audit, legal services, evaluation consultation and others incurred for business combination as well as other related administration costs are recorded in current profit and loss when incurred. The transaction costs of equity securities or debt securities issued as consideration of combination are included in the initially recognized amount of the equity securities or debt securities.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 6. Judgement Criteria for Control and Preparation of Consolidated Financial Statements

##### (1) *Judgement criteria for control*

The scope of consolidation for the consolidated financial statements is determined based on control. Control refers to the power that the Company has over the investee, whereby it enjoys variable returns through participation in the investee's relevant activities and is able to use its power over the investee to affect its return. Once the relevant facts and situation which alters the elements that define control change, the Company shall perform re-evaluation.

In determining whether to include a structured entity in the scope of consolidation, the Company takes into account all the facts and circumstances, including assessing the purpose and design of the structured entity, identifying the types of variable returns, and whether it has borne some or all of the variability of returns through participation in its related activities, and evaluate whether there is control over such structured entity on such basis.

##### (2) *Preparation of consolidated financial statements*

The consolidated financial statements are based on the financial statements of the Company and its subsidiaries and are prepared by the Company according to other relevant information. When preparing the consolidated financial statements, the accounting policies and accounting periods of the Company and its subsidiaries shall be consistent, and the significant inter-company transactions and balances shall be eliminated.

During the reporting period, subsidiaries and businesses added as a result of business combinations under common control are deemed to be included in the Company's scope of consolidation from the date they are controlled by the same ultimate controller. Their operating results and cash flows from the date they are controlled by the same ultimate controller are included in the consolidated income statement and consolidated statement of cash flows, respectively.

During the reporting period, the income, expenses and profits of the subsidiaries and businesses added as a result of business combinations not under common control from the acquisition date to the end of the reporting period are included in the consolidated income statement, and their cash flows are included in the consolidated statement of cash flows.

Shareholders' equity of a subsidiary not attributable to the Company is presented separately as minority interest under shareholders' equity in the consolidated balance sheet; the share of a subsidiary's net profit or loss attributable to minority interest for the period is presented as "profit or loss of minority interest" under net profit in the consolidated income statement. Where minority shareholders' share of loss of a subsidiary exceeds their share of owners' equity in the subsidiary at the beginning of the period, the balance is still offset against minority interest.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 6. Judgement Criteria for Control and Preparation of Consolidated Financial Statements (continued)

##### (3) *Purchase of minority interest of subsidiaries*

Adjustment is made to the capital reserve in the consolidated balance sheet for the difference between the cost of long-term equity investment newly acquired by purchasing minority interest and the share of net assets of the subsidiary calculated continuously from the acquisition date or combination date according to the increased shareholding ratio, and the difference between the proceeds from disposal obtained by partially disposing of equity investment in a subsidiary without losing control and the share of net assets of the subsidiary calculated continuously from the acquisition date or combination date corresponding to the disposed long-term equity investment. Retained earnings are adjusted in case of insufficient capital reserve.

##### (4) *Treatment of loss of control of subsidiaries*

If control over an original subsidiary is lost due to the disposal of part of the equity investment or other reasons, the remaining equity will be remeasured at its fair value on the date control is lost; the sum of the consideration received from the disposal of the equity and the fair value of the remaining equity, minus the sum of the share of the book value of net assets and the goodwill of the original subsidiary calculated continuously from the acquisition date based on the original shareholding ratio, will be included in the investment income for the period in which control is lost.

Other comprehensive income related to equity investments in the original subsidiary is accounted by adopting the same basis as the direct disposal of relevant assets or liabilities by the original subsidiary upon loss of control. Change in other owners' equity related to the original subsidiary involving calculation under the equity method is transferred to the current profit or loss upon loss of control.

##### (5) *Treatment of disposal of equity in stages until loss of control*

If the terms, conditions and economic impacts of multiple transactions involving the disposal of equity in stages until loss of control meet one or more of the following conditions, the Company will account for the transactions as a package transaction:

- ① These transactions are made simultaneously or considering their mutual impact;
- ② Only when these transactions are considered as a whole can achieve a complete business result;
- ③ The occurrence of one transaction is subject to the occurrence of at least one other transaction;
- ④ A single transaction is uneconomical, but it is economical when considered together with other transactions.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 6. Judgement Criteria for Control and Preparation of Consolidated Financial Statements (continued)

##### (5) *Treatment of disposal of equity in stages until loss of control (continued)*

When disposing of equity in stages until loss of control, the measurement of the remaining equity and the accounting for the gains and losses related to the disposal of equity are handled in accordance with "Treatment of loss of control of subsidiaries" above. The difference between the proceeds from each disposal before the loss of control and the corresponding share of the book value of net assets of the subsidiary calculated continuously from the acquisition date is accounted for as follows:

- ① In the case of "a package transaction", it is recognized as other comprehensive income. It is transferred altogether to profit or loss for the period when control is lost.
- ② If not "a package transaction", it is included in the capital reserve as an equity transaction. It shall not be transferred to profit or loss for the period when control is lost.

#### 7. Classification of Joint Arrangements and Accounting Treatment for Joint Operations

A joint arrangement refers to an arrangement jointly controlled by two or more parties. The Company's joint arrangements are classified into joint operations and joint ventures.

##### (1) *Joint operation*

Joint operation refers to a joint arrangement where the Company enjoys the related assets and assumes the related liabilities of the arrangement.

The Company recognizes the following items related to the share of benefits in joint operations and accounts for them in accordance with the relevant requirements of the Accounting Standards for Business Enterprises:

- A. It recognizes the assets held individually and the jointly held assets according to its share;
- B. It recognizes the liabilities assumed individually and the jointly assumed liabilities according to its share;
- C. It recognizes the revenue generated from the sale of its share of output of the joint operation;
- D. It recognizes the joint operation's revenue generated from the sale of output according to its share;
- E. It recognizes the expenses incurred individually and the expenses incurred by the joint operation according to its share.

##### (2) *Joint venture*

A joint venture refers to a joint arrangement in which the Company only has rights to the net assets of the arrangement.

The Company accounts for investments in joint ventures according to the requirements of the equity method of accounting for long-term equity investments.



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 8. Recognition Criteria for Cash and Cash Equivalents

Cash refers to cash on hand and deposits readily available for payment. Cash equivalents refer to short-term, highly liquid investments held by the Company that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### 9. Foreign Currency Business and Foreign Currency Statement Translation

##### (1) Foreign currency business

The Company conducts foreign currency businesses, which are translated to its accounting currency at the spot exchange rate on the transaction date.

On the balance sheet date, monetary items denominated in foreign currencies are translated using the spot exchange rate on the balance sheet date. Exchange differences arising from the difference between the spot exchange rate on the balance sheet date and the spot exchange rate at initial recognition or on the previous balance sheet date are included in profit or loss for the period. Non-monetary items denominated in foreign currencies measured at historical cost are translated using the spot exchange rate on the transaction date. Non-monetary items denominated in foreign currencies measured at fair value are translated using the spot exchange rate on the date when the fair value is determined. The difference between the translated amount in the accounting currency and the amount in the original accounting currency is included in profit or loss or other comprehensive income for the period, depending on the nature of the non-monetary item.

##### (2) Foreign currency financial statement translation

On the balance sheet date, when translating the foreign currency financial statements of overseas subsidiaries, the asset and liability items in the balance sheet are translated at the spot exchange rate on the balance sheet date, and the shareholders' equity items, except for "undistributed profit", are translated at the spot exchange rate on the date they are incurred.

The income and expense items in the income statement are translated using the spot exchange rate on the transaction date.

All items in the statement of cash flows are translated at the spot exchange rate on the date the cash flows are incurred. The effect of exchange rate changes on cash is separately presented in the statement of cash flows under "effect of exchange rate changes on cash and cash equivalents" as an adjustment item.

The difference arising from the translation of financial statements is reflected under "other comprehensive income" in the shareholders' equity section of the balance sheet.

When disposing of overseas operations and losing control, the foreign currency statement translation differences related to the overseas operations presented under shareholders' equity in the balance sheet are transferred to profit or loss in the period the disposal occurs in whole or in proportion to the disposal of such overseas operations.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial Instruments

Financial instruments refer to contracts that create financial assets for one party and financial liabilities or equity instruments for another party.

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

The Company recognizes a financial asset or financial liability when it becomes a party to a financial instrument contract.

Derecognition of financial assets occurs if one of the following conditions is met:

- ① The contractual rights to receive the cash flows from the financial asset have terminated;
- ② The financial asset has been transferred and meets the derecognition conditions for the transfer of financial assets below.

If the current obligation of the financial liability has been fully or partially discharged, the financial liability or part of it is derecognized. Where the Company (debtor) and the creditor have entered into an agreement to replace existing financial liabilities with new financial liabilities and the contractual terms of the new financial liabilities are substantially different from those of the existing financial liabilities, the existing financial liabilities are derecognized and the new financial liabilities are recognized simultaneously.

Regular way purchases and sales of financial assets are recognized and derecognized on the transaction date.

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

The Company classifies financial assets into the following three categories at initial recognition based on the business model for managing the financial assets and the characteristics of the contractual cash flows of the financial assets: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial Instruments (continued)

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

###### *Financial assets measured at amortized cost*

The Company classifies financial assets that meet the following conditions and are not designated as financial assets measured at fair value through profit or loss as financial assets measured at amortized cost:

The business model of the Company for managing the financial asset aims to collect contractual cash flows;

The contractual terms of the financial asset stipulate that the cash flows on a specific date are solely for the payment of principal and interest based on the outstanding principal amount.

After initial recognition, such financial assets are measured at amortized cost using the effective interest method. Gains or losses arising from financial assets measured at amortized cost and not being part of any hedging relationship are recognized in profit or loss when derecognized, amortized using the effective interest method or impairment is recognized.

###### *Financial assets measured at fair value through other comprehensive income*

The Company classifies financial assets that meet the following conditions and are not designated as financial assets measured at fair value through profit or loss as financial assets measured at fair value through other comprehensive income:

- The business model of the Company for managing the financial asset aims both to collect contractual cash flows and to sell the financial asset;

The contractual terms of the financial asset stipulate that the cash flows on a specific date are solely for the payment of principal and interest based on the outstanding principal amount.

After initial recognition, such financial assets are subsequently measured at fair value. Interest calculated using the effective interest method, impairment losses or gains and exchange gains or losses are included in profit or loss, while other gains or losses are included in other comprehensive income for the period. Upon derecognition, the cumulative gains or losses previously included in other comprehensive income are transferred out of other comprehensive income and included in profit or loss for the period.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial Instruments (continued)

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

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

Except for the financial assets measured at amortized cost and those measured at fair value through other comprehensive income above, the Company classifies all other financial assets as financial assets measured at fair value through profit or loss. At initial recognition, to eliminate or significantly reduce accounting mismatches, the Company irrevocably designates certain financial assets that would otherwise be measured at amortized cost or at fair value through other comprehensive income as financial assets measured at fair value through profit or loss.

After initial recognition, such financial assets are subsequently measured at fair value, with gains or losses (including interest and dividend income) included in profit or loss for the period, unless the financial asset is part of a hedging relationship.

However, for non-trading equity instrument investments, the Company irrevocably designates them as financial assets measured at fair value through other comprehensive income at initial recognition. The designation is made based on individual investments and the relevant investments meet the definition of equity instruments from the issuer's perspective.

After initial recognition, such financial assets are subsequently measured at fair value. Dividend income that meets the conditions is included in profit or loss, other gains or losses and changes in fair value are included in other comprehensive income. Upon derecognition, the cumulative gains or losses previously included in other comprehensive income are transferred out of other comprehensive income and included in retained earnings.

The business model for managing financial assets refers to how the Company manages financial assets to generate cash flows. The business model determines whether the source of cash flows from the financial assets managed by the Company is to receive contractual cash flows, sell the financial assets, or both. The Company determines the business model for managing financial assets based on objective facts and the specific business objectives decided by key management personnel for managing financial assets.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial Instruments (continued)

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

###### *Financial assets measured at fair value through profit or loss (continued)*

The Company evaluates the characteristics of contractual cash flows of financial assets to determine whether the contractual cash flows generated by the relevant financial assets on a specific date are solely for the payment of principal and interest based on the outstanding principal amount. In particular, principal refers to the fair value of financial assets at initial recognition; interest includes the time value of money, credit risk associated with the outstanding principal amount for a specific period, and consideration for other basic lending risks, costs, and profits. In addition, the Company evaluates the contractual terms that may lead to changes in the timing or amount of contractual cash flows of financial assets to determine whether they meet the characteristics of contractual cash flows above.

Reclassification of financial assets is only performed on the first day of the first reporting period after the Company has changed the business model for managing financial assets. Otherwise, financial assets may not be reclassified after initial recognition.

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

The financial liabilities of the Company are classified at initial recognition as: financial liabilities measured at fair value through profit or loss and financial liabilities measured at amortized cost. For financial liabilities not designated as measured at fair value through profit or loss, the related transaction costs are included in the amount initially recognized.

###### *Financial liabilities measured at fair value through profit or loss*

Financial liabilities measured at fair value through profit or loss include trading financial liabilities and financial liabilities designated as measured at fair value through profit or loss at initial recognition. Such financial liabilities are subsequently measured at fair value, with gains or losses arising from changes in fair value as well as dividends and interest expenses related to these financial liabilities are included in profit or loss for the period.

###### *Financial liabilities measured at amortized cost*

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with gains or losses arising from derecognition or amortization included in profit or loss for the period.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial Instruments (continued)

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

###### *Financial guarantee contracts*

Financial guarantee contracts that are not designated as financial liabilities measured at fair value through profit or loss are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined using the expected credit loss model and the balance of the initial recognition amount less cumulative amortization.

###### *Differences between financial liabilities and equity instruments*

Financial liabilities refer to liabilities that meet one of the following conditions:

- ① The contractual obligation to deliver cash or other financial assets to another party.
- ② The contractual obligation to exchange financial assets or financial liabilities with another party under potentially adverse conditions.
- ③ Non-derivative contracts that will or may be settled in the future using the company's own equity instruments, and the company will deliver a variable number of its own equity instruments according to the contract.
- ④ Derivative contracts that will or may be settled in the future using the company's own equity instruments, except for derivative contracts that exchange a fixed number of the company's own equity instruments for a fixed amount of cash or other financial assets.

Equity instruments refer to contracts that can prove ownership of the residual equity in the assets of a company after deducting all liabilities.

If the Company cannot unconditionally avoid fulfilling a contractual obligation by delivering cash or other financial assets, then the contractual obligation meets the definition of a financial liability.

If a financial instrument must or may be settled using the Company's own equity instruments, it is necessary to consider whether the Company's own equity instruments used for settling the instrument are substitutes for cash or other financial assets, or they are to allow the holder of the instrument to enjoy the residual equity in the issuer's assets after deducting all liabilities. If it is the former, the instrument is the Company's financial liability; if it is the latter, the instrument is the Company's equity instrument.



### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial Instruments (continued)

##### (4) *Derivative financial instruments and embedded derivatives*

The Company's derivative financial instruments are initially measured at fair value on the date the derivative transaction contract is executed, and subsequently measured at their fair value. Derivative financial instruments with a positive fair value are recognized as an asset, while those with a negative fair value are recognized as a liability. Any gain or loss arising from changes in fair value that do not meet hedge accounting requirements is directly recognized in profit or loss for the period.

For hybrid instruments containing embedded derivatives, such as those where the principal contract is a financial asset, the hybrid instrument as a whole is subject to the relevant requirements for the classification of financial assets. If the principal contract is not a financial asset, the hybrid instrument is not measured at fair value through profit or loss, the embedded derivative is not closely related to the principal contract in terms of economic characteristics and risks, and a standalone instrument with the same conditions as the embedded derivative meets the definition of a derivative, the embedded derivative is separated from the hybrid instrument and treated as a standalone derivative financial instrument. If it is not possible to separately measure the embedded derivative at the time of acquisition or on subsequent balance sheet dates, the entire hybrid instrument is designated as a financial asset or financial liability measured at fair value through profit or loss.

##### (5) *Fair value of financial instruments*

The methods for determining the fair value of financial assets and financial liabilities are detailed in Note 11.

##### (6) *Impairment of financial assets*

The Company, based on expected credit losses, provides for impairment and recognizes loss provisions for the following items:

- Financial assets measured at amortized cost;
- Receivables and debt investments measured at fair value through other comprehensive income;
- Contract assets under Accounting Standards for Business Enterprises No. 14 — Revenue;
- Lease receivables;
- Financial guarantee contracts (except for those measured at fair value through profit or loss, the transfer of financial assets that does not meet the derecognition criteria or those arising from continued involvement in the transferred financial assets).

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial Instruments (continued)

##### (6) *Impairment of financial assets (continued)*

###### *Measurement of expected credit losses*

Expected credit losses refer to the weighted average of credit losses on financial instruments, weighted by the risk of default. Credit losses refer to the difference between all contractual cash flows receivable by the Company according to the contract, discounted at the original effective interest rate, and all expected cash flows to be received, which is the present value of the total cash shortfall.

The Company considers reasonable and justifiable information regarding past events, current situations and forecasts of future economic conditions. It calculates the probability-weighted amount of the present value of the difference between the cash flows receivable from the contract and the cash flows that are expected to be received, weighted by the risk of default, to recognize expected credit losses.

The Company measures the expected credit losses of financial instruments at different stages separately. Financial instruments that have not experienced a significant increase in credit risk since initial recognition are in the first stage. The Company measures the loss allowance based on the expected credit losses over the next 12 months. Financial instruments that have experienced a significant increase in credit risk since initial recognition but have not yet incurred credit impairment are in the second stage. The Company measures the loss allowance based on the expected credit losses over the entire lifetime of the instrument. Financial instruments that have incurred credit impairment since initial recognition are in the third stage. The Company measures the loss allowance based on the expected credit losses over the entire lifetime of the instrument.

For financial instruments with lower credit risk on the balance sheet date, the Company assumes that their credit risk has not significantly increased since initial recognition and measures the loss allowance based on the expected credit losses over the next 12 months.

Lifetime expected credit losses refer to the expected credit losses caused by all possible default events during the entire expected lifetime of the financial instrument. 12-month expected credit losses refer to the expected credit losses caused by the default events of the financial instrument that may occur within 12 months after the balance sheet date (or the expected lifetime if the financial instrument's expected lifetime is less than 12 months). It is part of the expected credit losses for the entire lifetime.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial Instruments (continued)

##### (6) *Impairment of financial assets (continued)*

###### *Measurement of expected credit losses (continued)*

When measuring expected credit losses, the longest period the Company needs to consider is the maximum contractual period during which the enterprise is exposed to credit risk (including considering renewal options).

The Company calculates interest income for financial instruments in the first and second stages as well as those with lower credit risk based on their carrying amount before impairment provision and the effective interest rate. For financial instruments in the third stage, interest income is calculated based on the amortized cost after deducting the impairment provision from the carrying amount and the effective interest rate.

###### *Bill receivables, trade receivables and contract assets*

For bill receivables, trade receivables and contract assets, regardless of whether there is a significant financing component, the Company always measures the loss allowance at an amount equal to the lifetime expected credit losses.

When it is not possible to evaluate the expected credit loss information of a single financial asset at a reasonable cost, the Company groups bill receivables and trade receivables based on credit risk characteristics. The expected credit losses are calculated on a group basis. The bases for determining the groups are as follows:

- A. Bill receivables
  - Bill receivables group 1: bank acceptance bills
  - Bill receivables group 2: commercial acceptance bills
- B. Trade receivables
  - Trade receivables group: age group

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial Instruments (continued)

##### (6) Impairment of financial assets (continued)

*Bill receivables, trade receivables and contract assets (continued)*

##### C. Contract assets

- Contract assets group 1: contract assets of service concession projects
- Contract assets group 2: contract assets of EPC projects

For the grouped bill receivables and contract assets, the Company calculates the expected credit losses based on the exposure to default risk and the lifetime expected credit loss rate with reference to historical credit loss experience and combined with current situations and forecasts of future economic conditions.

For the grouped trade receivables, the Company estimates the lifetime expected credit loss rate and makes provisions for bad debts based on aging analysis with reference to historical credit loss experience and combined with current situations and forecasts of future economic conditions.

##### *Other receivables*

Based on the characteristics of credit risk, the Company classifies other receivables into several groups. The expected credit losses are calculated on a group basis. The bases for determining the groups are as follows:

- Other receivables group 1: group of reserve funds, deposits and margins receivable
- Other receivables group 2: group of receivables from related parties within the scope of consolidation
- Others receivables group 3: age group

For the grouped other receivables, the Company calculates the expected credit losses based on the exposure to default risk and the 12-month or lifetime expected credit loss rate.

##### *Debt investments, other debt investments*

For debt investments and other debt investments, the Company calculates the expected credit losses based on the exposure to default risk and the 12-month or lifetime expected credit loss rate according to the nature of the investment, the types of counterparties and risk exposures.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial Instruments (continued)

##### (6) *Impairment of financial assets (continued)*

###### *Assessment of significant increase in credit risk*

The Company determines the relative change in the risk of default over the expected lifetime of financial instruments by comparing the risk of default on the balance sheet date with the risk of default on the initial recognition date to assess whether the credit risk of financial instruments has significantly increased since initial recognition.

When determining whether the credit risk has significantly increased since initial recognition, the Company considers reasonable and justifiable information that is available without undue cost or effort, including forward-looking information. The information considered by the Company includes:

- Debtor's failure to pay the principal and interest on the contract due date;
- Serious deterioration of the external or internal credit ratings (if any) of financial instruments that has occurred or is expected;
- Serious deterioration of the debtor's operating results that has occurred or is expected;
- The existing or anticipated changes in technology, market, economic or legal environment that will have a significant adverse impact on the debtor's ability to repay the Company.

According to the nature of the financial instruments, the Company assesses whether the credit risk has significantly increased on an individual or group basis. When assessing based on a group of financial instruments, the Company may classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk ratings.

If overdue for more than 30 days, the Company determines that the credit risk of the financial instrument has significantly increased.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial Instruments (continued)

##### (6) *Impairment of financial assets (continued)*

###### *Credit-impaired financial assets*

The Company assesses whether there has been any credit impairment on financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income on the balance sheet date. When one or more events that have an adverse impact on the expected future cash flows of a financial asset occur, the financial asset becomes a credit-impaired financial asset. Evidence of credit impairment of financial assets includes the following observable information:

- The issuer or debtor is experiencing significant financial difficulties;
- The debtor breaches the contract, such as defaulting on or delaying the payment of interest or principal;
- The Company grants concessions to the debtor due to economic or contractual considerations related to the debtor's financial difficulties, which would not be made under any other circumstances;
- The debtor is likely to go bankrupt or undergo other financial restructuring;
- The issuer or debtor's financial difficulties have led to the disappearance of the active market for the financial asset.

###### *Reporting of expected credit loss provisions*

To reflect the changes in the credit risk of financial instruments after initial recognition, the Company remeasures the expected credit losses on each balance sheet date. The resulting increase in or reversal of loss provisions shall be included in profit or loss for the period as impairment losses or gains. For financial assets measured at amortized cost, the loss provisions are charged to the carrying amount of the financial asset presented in the balance sheet; for debt investments measured at fair value through other comprehensive income, the Company recognizes the loss provisions in other comprehensive income without charging to the carrying amount of the financial asset.

###### *Write-off*

If the Company no longer reasonably expects to recover all or part of the contractual cash flows of a financial asset, it will directly write down the carrying amount of the financial asset. This write-down constitutes the derecognition of the related financial asset. This situation generally occurs when the Company determines that the debtor has no assets or income sources to generate sufficient cash flow to repay the amount to be written down. However, according to the Company's procedure for recovering due payments, the written-down financial assets may still be subject to enforcement activities.

The previously written-down financial assets, once recovered, are recognized as a reversal of impairment loss and included in profit or loss for the period of recovery.



### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial Instruments (continued)

##### (7) *Transfer of financial assets*

Transfer of financial assets refers to the assignment or delivery of financial assets to a party (the transferee) other than the issuer of the financial assets.

The Company derecognizes the financial asset if substantially all of the risks and rewards of ownership of the financial asset have been transferred to the transferee; it does not derecognize the financial asset if it retains substantially all of the risks and rewards of ownership of the financial asset.

If the Company neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it is accounted for as follows: if control over the financial asset is relinquished, it derecognizes the financial asset and recognizes the assets and liabilities incurred; if control over the financial asset is not relinquished, it recognizes the relevant financial asset to the extent of the Company's continuing involvement in the transferred financial asset and recognizes the corresponding liability.

##### (8) *Offsetting of financial assets and financial liabilities*

When the Company has the legal right to offset recognized financial assets and financial liabilities, is currently able to enforce such legal right, and plans to settle them on a net basis or simultaneously realize the financial assets and settle the financial liabilities, the financial assets and financial liabilities are presented in the balance sheet at the offset amount. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet without offsetting against each other.

#### 11. Fair Value Measurement

Fair value refers to the price that a market participant would receive for selling an asset or would pay for transferring a liability in an orderly transaction on the measurement date.

The Company measures relevant assets or liabilities at fair value, assuming that the orderly transaction of selling assets or transferring liabilities takes place in the principal market for the relevant assets or liabilities; if there is no principal market, the Company assumes that the transaction takes place in the most favorable market for the relevant assets or liabilities. The principal market (or the most favorable market) is the trading market to which the Company has access on the measurement date. The Company adopts the assumptions used by market participants to maximize their economic benefits when pricing the asset or liability.

For financial assets or financial liabilities that have an active market, the Company uses quotes from the active market to determine their fair value. If there is no active market for the financial instruments, the Company uses valuation techniques to determine their fair value.

For non-financial assets measured at fair value, the ability of market participants to generate economic benefits by putting the assets to the best use or by selling the assets to other market participants who can put them to the best use is considered.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 11. Fair Value Measurement (continued)

The Company adopts valuation techniques that are applicable under the current circumstances and supported by sufficient available data and other information, prioritizing the use of relevant observable inputs. Unobservable inputs are used only when observable inputs are unavailable or impractical to obtain.

For the assets and liabilities measured or disclosed at fair value in the financial statements, the fair value level to which they belong is determined based on the lowest level input that is significant to the overall fair value measurement: level 1 inputs are unadjusted quotes in an active market for identical assets or liabilities that can be obtained on the measurement date; level 2 inputs are inputs other than those in level 1 that are observable for the relevant assets or liabilities, either directly or indirectly; level 3 inputs are unobservable inputs for the relevant assets or liabilities.

On each balance sheet date, the Company reassesses the assets and liabilities continued to be measured at fair value in the financial statements to determine whether there have been transfers between the levels of fair value measurement.

#### 12. Inventory

##### (1) Inventory classification

The Company's inventory is divided into raw materials, inventory goods, turnover materials and contract performance costs, measured at the lower of cost and net realizable value; turnover materials include low-value consumables and packaging materials.

##### (2) Pricing of inventory delivered

The Company's inventory is valued at actual cost upon acquisition. Raw materials and inventory goods are valued using the weighted average method when delivered.

##### (3) Basis for determining net realizable value of inventory and provision for inventory impairment

The net realizable value of inventory is the amount after deducting the estimated costs to complete, estimated selling expenses and related taxes from the estimated selling price of the inventory. The net realizable value of inventory is determined based on the conclusive evidence obtained, consideration is also given to the purpose of holding the inventory and the impact of events after the balance sheet date.

On the balance sheet date, if the cost of inventory is higher than its net realizable value, a provision for inventory impairment is made. The Company generally makes provisions for inventory impairment based on individual inventory items. On the balance sheet date, if the factors that previously caused the inventory value to be written down have disappeared, the provision for inventory impairment will be reversed within the amount originally provided.

##### (4) Inventory system

The Company adopts a perpetual inventory system.

##### (5) Amortization of low-value consumables

The Company adopts the one-time write-off method for the amortization of low-value consumables when consumed.



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 13. Long-term Equity Investments

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates. Investees over which the Company can exert significant influence are associates of the Company.

##### (1) *Determination of initial investment cost*

Long-term equity investments that constitute business combinations: for long-term equity investments obtained through business combinations under common control, the investment costs are the share of carrying amount of the owners' equity interest of the acquiree obtained in the consolidated financial statements of the ultimate controlling party on the combination date; for long-term equity investments obtained through business combinations not under common control, the investment costs of the long-term equity investments are the combination costs.

For long-term equity investments obtained through other methods: for long-term equity investments obtained by cash, the initial investment costs are the actual purchase price paid; for long-term equity investments obtained by issuing equity securities, the initial investment costs are the fair value of the equity securities issued.

##### (2) *Subsequent measurement and recognition of profit or loss*

Investments in subsidiaries are accounted for using the cost method, unless the investments meet the criteria for being held for sale; investments in associates and joint ventures are accounted for using the equity method.

For long-term equity investments accounted for using the cost method, except for the cash dividends or profits declared but not yet distributed included in the actual price or consideration paid at the time of investment, the cash dividends or profits declared and distributed by the investee are recognized as investment income and included in profit or loss for the period.

For long-term equity investments accounted for using the equity method, if the initial investment cost is greater than the share of fair value of the identifiable net assets of the investee at the time of investment, the investment cost of the long-term equity investment is not adjusted; if the initial investment cost is less than the share of fair value of the identifiable net assets of the investee at the time of investment, the carrying amount of the long-term equity investment is adjusted, with the difference included in profit or loss for the period of the investment.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 13. Long-term Equity Investments (continued)

##### (2) *Subsequent measurement and recognition of profit or loss (continued)*

When using the equity method of accounting, investment income and other comprehensive income are recognized based on the share of net profit or loss and other comprehensive income realized by the investee, respectively, and the carrying amount of the long-term equity investment is adjusted accordingly; the carrying amount of the long-term equity investment is reduced accordingly based on the portion of profits or cash dividends declared and distributed by the investee; for other changes in owners' equity of the investee, other than net profit or loss, other comprehensive income and profit distribution, the carrying amount of the long-term equity investment is adjusted and included in the capital reserve (other capital reserve). When recognizing the share of net profit or loss of the investee, the net profit of the investee is adjusted based on the fair value of the identifiable assets of the investee at the time of investment according to the Company's accounting policies and accounting period.

If significant influence or joint control over the investee without constituting control is realized due to reasons such as additional investment, on the conversion date, the initial investment cost accounted for under the equity method instead shall be the sum of the fair value of the original equity and the cost of the new investment. If the original equity is classified as an investment in non-trading equity instruments measured at fair value through other comprehensive income, the cumulative fair value changes originally included in other comprehensive income in relation to it are transferred to retained earnings when accounted for using the equity method instead.

If loss of joint control or significant influence over the investee is realized due to reasons such as disposal of part of the equity investment, the remaining equity after disposal shall be accounted for according to the Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments instead on the date of losing joint control or significant influence, and the difference between the fair value and the carrying amount shall be included in profit or loss for the period. Other comprehensive income recognized from original equity investment using the equity method is accounted for on the same basis as the direct disposal of related assets or liabilities by the investee when the equity method is no longer used; other changes in owners' equity related to the original equity investment are transferred to profit or loss for the period.

If loss of control over an investee is realized due to reasons such as disposal of part of the equity investment and the remaining equity after disposal enables joint control or significant influence over the investee, it shall be accounted for using the equity method instead, and the remaining equity shall be adjusted as if it had been accounted for using the equity method since acquisition. If the remaining equity after disposal does not enable joint control or significant influence over the investee, it shall be accounted for according to the relevant requirements of the Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments, and the difference between the fair value and the carrying amount on the date control is lost shall be included in profit or loss for the period.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 13. Long-term Equity Investments (continued)

##### (2) *Subsequent measurement and recognition of profit or loss (continued)*

If loss of control but joint control or significant influence over the investee is realized due to the decrease in the Company's shareholding ratio as a result of the increase in investment by other investors, the Company's share of the investee's increased net assets due to the capital increase is recognized according to the new shareholding ratio, and the difference between this and the original carrying amount of the long-term equity investment corresponding to the decrease in shareholding ratio is included in profit or loss for the period. Then, adjustment is made according to the new shareholding ratio as if the equity method had been adopted since the acquisition of the investment.

The unrealized profit or loss from internal transactions between the Company and its associates and joint ventures attributable to the Company based on the shareholding ratio is recognized as investment gains and losses on a net basis. However, the unrealized loss from internal transactions between the Company and the investee, which belongs to the impairment loss of the transferred assets, will not be offset.

##### (3) *Basis for determining joint control or significant influence over investee*

Joint control refers to the shared control over an arrangement according to relevant agreements, and the relevant activities of the arrangement must be decided with the unanimous consent of the parties sharing control. When determining whether joint control exists, the Company first determines whether the arrangement is collectively controlled by all parties involved or a group of parties involved, then determines whether decisions regarding the relevant activities of the arrangement must be unanimously agreed upon by the parties collectively controlling the arrangement. If all parties involved or a group of parties involved must act unanimously to decide on the relevant activities of a certain arrangement, it is considered that all parties involved or a group of parties involved collectively control the arrangement; if there are two or more groups of parties involved that can collectively control a certain arrangement, it does not constitute joint control. When determining whether joint control exists, protective rights enjoyed are not considered.

Significant influence refers to the power of the investor to participate in the financial and operating policy decisions of the investee, but not to control or jointly control the formulation of these policies with other parties. When determining whether significant influence can be exerted over the investee, the Company considers the voting shares directly or indirectly held by the investor in the investee and the impact of the exercisable potential voting rights held by the investor and other parties, assuming they are converted into equity of the investee. This includes the impact of currently convertible warrants, stock options and convertible bonds issued by the investee.

When the Company holds directly or indirectly through subsidiaries 20% or more but less than 50% of the voting shares of the investee, it is generally considered to have significant influence over the investee, unless there is clear evidence indicating that under such circumstances it cannot participate in the production and operation decisions of the investee, thus not constituting significant influence. When the Company holds less than 20% of the voting shares of the investee, it is generally not considered to have significant influence over the investee, unless there is clear evidence indicating that under such circumstances it can participate in the production and operation decisions of the investee, thus constituting significant influence.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 13. Long-term Equity Investments (continued)

##### (4) Impairment test and impairment provision

For investments in subsidiaries, associates and joint ventures, provision for asset impairment is detailed in Note 20.

#### 14. Investment Properties

Investment property refers to real estate held to earn rental income or for capital appreciation, or both. The Company's investment properties include leased land use rights, land use rights held and prepared for transfer after appreciation and leased buildings.

The Company's investment properties are located in active real estate markets, and the Company is able to obtain market prices and other relevant information for similar or comparable properties from the real estate markets. Therefore, the Company can reasonably estimate the fair value of its investment properties. Consequently, the Company uses the fair value model for subsequent measurement of its investment properties, with changes in fair value recognized in profit or loss for the period.

When determining the fair value of investment properties, the Company refers to the current market prices of similar or comparable properties in active markets; if the current market prices of similar or comparable properties cannot be obtained, it refers to the recent transaction prices of similar or comparable properties in active markets and considers factors such as transaction conditions, transaction dates and location to make a reasonable estimate of the fair value of investment properties; or determines their fair value based on the present value of expected future rental income and related cash flows.

Income from the disposal of investment property through sale, transfer, scrapping or damage, after deducting its book value and related taxes and levies, is included in profit or loss for the period.

#### 15. Fixed Assets

##### (1) Recognition criteria for fixed assets

Fixed assets of the Company refer to tangible assets held for the production of goods, provision of services, leasing or operational management with useful lives exceeding one accounting year.

Fixed assets may only be recognized when it is probable that the economic benefits associated with the fixed assets will flow to the enterprise and the costs of the fixed assets can be reliably measured.

The Company's fixed assets are initially measured at their actual costs at the time of acquisition.

Subsequent expenditures related to fixed assets are included in the costs of fixed assets when it is probable that the economic benefits associated with them will flow to the Company and their costs can be reliably measured; usual repair costs of fixed assets that do not meet the capitalization criteria for subsequent expenditures of fixed assets are included in profit or loss for the period or the costs of related assets when incurred according to the beneficiary objects. For the replaced parts, their book value is derecognized.



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 15. Fixed Assets (continued)

##### (2) Depreciation of various fixed assets

The Company adopts the straight-line method for depreciation. Depreciation of fixed assets begins when they reach the intended usable state and stops when they are derecognized or classified as non-current assets held for sale. Without considering impairment provisions, the Company determines the annual depreciation rates for various fixed assets according to the types of fixed assets, estimated useful lives and estimated residual values as follows:

Type	Useful life (years)	Residual value rate %	Annual depreciation rate %
Contractual energy management	Term of contractual revenue		
Houses and buildings	2-30 years	4.00	48.0-3.2
Construction machinery	8 years	4.00	12.0
Transportation and production equipment	8-20 years	4.00	12.0-4.8
Office equipment and others	5 years	4.00	19.2

Among them, for fixed assets with impairment provisions, the accumulated amount of impairment provisions for fixed assets should also be deducted to determine the depreciation rate.

(3) The impairment test and the impairment provision for fixed assets are detailed in Note 20.

(4) At the end of each year, the Company reviews the useful lives, estimated net residual values and depreciation methods of fixed assets.

If there is a difference between the estimated useful life and the original estimate, the useful life of the fixed asset will be adjusted; if there is a difference between the estimated net residual value and the original estimate, the estimated net residual value will be adjusted.

##### (5) Disposal of fixed assets

When a fixed asset is disposed of or it is expected that no economic benefits will be generated through use or disposal, the fixed asset will be derecognized. Income from the disposal of fixed assets through sale, transfer, scrapping or damage, after deducting their book value and related taxes and levies, is included in profit or loss for the period.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 16. Construction in Progress

The Company's costs of construction in progress is determined based on the actual expenditure, including various necessary expenditures incurred during the construction period, borrowing costs to be capitalized before the construction reaches the intended usable state and other related expenses.

Construction in progress is transferred to fixed assets when it reaches the intended usable state.

Provision for asset impairment for construction in progress is detailed in Note 20.

#### 17. Borrowing Costs

##### (1) *Recognition principles for capitalization of borrowing costs*

The borrowing costs incurred by the Company, which can be directly attributed to the purchase, construction or production of assets that are eligible for capitalization, shall be capitalized and included in the costs of the relevant assets; other borrowing costs shall be recognized as expenses based on the amounts incurred and included in profit or loss for the period in which they are incurred. Capitalization of borrowing costs begins when all of the following conditions are met:

- ① Asset expenditures have already been incurred, which include expenditures incurred in the form of cash payments, transfers of non-cash assets or assumption of interest-bearing liabilities for the purchase, construction or production of assets that are eligible for capitalization;
- ② Borrowing costs have already been incurred;
- ③ The purchase, construction or production activities necessary to bring the asset to its intended usable or saleable state have already commenced.

##### (2) *Capitalization period of borrowing costs*

When the assets purchased, constructed or produced by the Company that are eligible for capitalization reach the intended usable or saleable state, the borrowing costs will cease to be capitalized. Borrowing costs incurred after the assets that are eligible for capitalization reach the intended usable or saleable state are recognized as expenses based on the amounts incurred and included in profit or loss for the period in which they are incurred.

For assets that are eligible for capitalization, if there is an abnormal interruption during the purchase, construction or production process and the interruption lasts for more than 3 consecutive months, the capitalization of borrowing costs shall be suspended; borrowing costs during normal interruptions shall continue to be capitalized.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 17. Borrowing Costs (continued)

##### (3) Calculation of capitalization rate and capitalization amount of borrowing costs

The interest expenses of specific borrowings actually incurred during the period, less the interest income obtained from depositing the unused borrowed funds in the bank or the investment income obtained from temporary investments, are capitalized; general borrowings are capitalized based on the weighted average of the cumulative asset expenditures exceeding the asset expenditures of the specific borrowing multiplied by the capitalization rate of the general borrowings used. The capitalization rate is determined based on the weighted average interest rate of general borrowings.

During the capitalization period, the exchange differences on specific foreign currency borrowings are fully capitalized; the exchange differences on general foreign currency borrowings are included in profit or loss for the period.

#### 18. Intangible Assets

##### (1) Valuation of intangible assets

The Company's intangible assets include land use rights, concession rights, software, patents, data resources, etc.

Intangible assets are initially measured at cost and their useful lives are analyzed and determined at the time of acquisition. For intangible assets with finite useful lives, from the time they are available for use, they are amortized using a method that reflects the expected realization of economic benefits related to the assets over the estimated useful lives. If the expected realization cannot be reliably determined, the straight-line method is used for amortization. Intangible assets with indefinite useful lives are not amortized.

Intangible assets with finite useful lives are amortized as follows:

Type	Useful lives	Basis for determining useful lives	Amortization method	Remark
Land use right	The period set out in the land use rights certificate	Property right registration period	Straight-line method	—
Concession right	The period set out in the concession right certificate	Property right registration period	Straight-line method	—
Software	2	Expected duration of economic benefits	Straight-line method	—
Patent	10	Expected duration of economic benefits	Straight-line method	—
Data resources	10	Expected duration of economic benefits	Straight-line method	—

## Notes to the Financial Statements

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### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 18. Intangible Assets (continued)

##### (1) Valuation of intangible assets (continued)

The Company reviews the useful lives and amortization methods of intangible assets with finite useful lives at the end of each year. If different from previous estimates, the original estimates are adjusted and treated as changes in accounting estimates.

If it is estimated on the balance sheet date that a certain intangible asset can no longer bring future economic benefits to the enterprise, the carrying amount of that intangible asset shall be fully transferred to profit or loss for the period.

Impairment provision of intangible assets is detailed in Note 20.

##### (2) Bases for determining indefinite useful life

When the Company is unable to foresee the period during which the asset will bring economic benefits to the Company or its useful life is uncertain, the intangible asset is determined to be an intangible asset with an indefinite useful life. The bases for determining an indefinite useful life are: it is derived from contractual rights or other statutory rights, but the contract or law does not specify a clear useful life; considering the industry situation or relevant expert arguments, it is still unable to determine the period during which the intangible asset will bring economic benefits to the Company.

At the end of each year, the useful lives of intangible assets with indefinite useful lives are reviewed, primarily using a bottom-up approach. A basic review is conducted by the relevant departments using the intangible assets to evaluate whether there are changes in the bases for determining the indefinite useful lives.

#### 19. Research and Development Expenditures

The Company distinguishes the expenditures of internal research and development projects into research phase expenditures and development phase expenditures.

Research phase expenditures are recognized in profit or loss when incurred.

Development phase expenditures will only be capitalized if they meet all of the following conditions: it is technically feasible to complete the intangible asset for use or sale; there is an intention to complete and use or sell the intangible asset; the intangible asset will generate economic benefits, including demonstrating that there is a market for the products produced using the intangible asset or for the intangible asset itself, and if the intangible asset is to be used internally, its usefulness can be demonstrated; there are sufficient technical, financial and other resources to support the completion of the development of the intangible asset and the ability to use or sell the intangible asset; the expenditures attributable to the development phase of the intangible asset can be reliably measured. Development expenditures that do not meet the above conditions are included in profit or loss for the period.

After meeting the above conditions and passing the technical feasibility and economic feasibility studies to become a formal project, the Company's research and development project will enter the development phase.

Capitalized development phase expenditures are presented as development expenditures on the balance sheet and are transferred to intangible assets from the date the project reaches its intended use.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 20. Asset Impairment

For the long-term equity investments in subsidiaries, associates and joint ventures, fixed assets, construction in progress, right-of-use assets, intangible assets and goodwill (excluding inventories, investment properties measured at fair value, deferred income tax assets and financial assets), the asset impairment is determined as follows:

On the balance sheet date, the Company determines whether there are indications of possible impairment of assets. If there are indications of impairment, the Company will estimate their recoverable amounts and conduct impairment tests. For goodwill arising from business combinations, intangible assets with indefinite useful lives and intangible assets not yet available for intended use, impairment tests are conducted annually regardless of whether there are indications of impairment.

The recoverable amount is determined as the higher of the net amount after deducting disposal costs from the fair value of the asset and the present value of the asset's expected future cash flows. The Company estimates the recoverable amount based on individual assets; if it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs is determined based on the asset group. The identification of an asset group is based on whether the primary cash inflows generated by the asset group are independent of the cash inflows of other assets or asset groups.

When the recoverable amount of an asset or asset group is less than its carrying amount, the Company will write down the carrying amount to the recoverable amount. The amount written down is included in profit or loss for the period, and a corresponding provision for asset impairment is made.

Regarding the impairment test on goodwill, the carrying amount of goodwill arising from business combinations is allocated to the relevant asset group using a reasonable method from the purchase date; if it is difficult to allocate to the relevant asset group, it is allocated to the relevant combination of asset groups. The relevant asset group or combination of asset groups is the asset group or combination of asset groups that can benefit from the synergies of the business combination and is not greater than the reporting segment determined by the Company.

During an impairment test, if there are indications of impairment for an asset group or a combination of asset groups related to goodwill, the Company first performs an impairment test on the asset group or combination of asset groups that does not include goodwill, calculates the recoverable amount and recognizes the corresponding impairment loss. It then performs an impairment test on the asset group or combination of asset groups that includes goodwill, compares its carrying amount with the recoverable amount and, if the recoverable amount is lower than the carrying amount, recognizes the impairment loss of goodwill.

Once an asset impairment loss is recognized, it will not be reversed in subsequent accounting periods.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 21. Long-term Deferred Expenses

The long-term deferred expenses incurred by the Company are valued at actual cost and amortized evenly over the estimated benefit period. For long-term deferred expense items that cannot benefit future accounting periods, their residual value is fully recognized in profit or loss for the period.

#### 22. Employee Remuneration

##### (1) *Scope of employee remuneration*

Employee remuneration refers to the various forms of remuneration or compensation given by an enterprise for obtaining the services provided by employees or for terminating the employment relationship. Employee remuneration includes short-term remuneration, post-employment benefits, termination benefits and other long-term employee benefits. The benefits provided by an enterprise to employees' spouses, children, dependents, deceased employees' survivors and other beneficiaries are also employee remuneration.

According to the liquidity, employee remuneration is presented separately on the balance sheet under "employee remuneration payables" and "long-term employee remuneration payables".

##### (2) *Short-term remuneration*

During the accounting period in which employees provide services, the Company recognizes the actual wages, bonuses, medical insurance premiums, work injury insurance premiums, maternity insurance premiums and other social insurance premiums and housing provident fund paid for employees according to the prescribed bases and ratios as liabilities and includes them in profit or loss for the period or related asset costs.

##### (3) *Post-employment benefits*

Post-employment benefit plans include defined contribution plans and defined benefit plans. Among them, a defined contribution plan refers to a post-employment benefit plan where, after making a fixed contribution to an independent fund, the enterprise no longer assumes further payment obligations; a defined benefit plan refers to a post-employment benefit plan other than defined contribution plans.

##### *Defined contribution plans*

Defined contribution plans include basic pension insurance, unemployment insurance, etc.

During the accounting period in which employees provide services, the amounts payable calculated according to the defined contribution plans are recognized as liabilities and included in profit or loss for the period or related asset costs.



### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 22. Employee Remuneration (continued)

##### (3) *Post-employment benefits (continued)*

###### *Defined benefit plans*

An actuarial valuation of a defined benefit plan is conducted by an independent actuary on the balance sheet date annually, and the cost of providing benefits is determined using the expected cumulative benefit unit method. The costs of employee remuneration resulting from the Company's defined benefit plans include the following components:

- ① Service costs, including current service costs, past service costs and settlement gains or losses. Among them, the current service costs refer to the increase in the present value of obligations under defined benefit plans due to the services provided by employees during the period; the past service costs refer to the increase or decrease in the present value of obligations under defined benefit plans related to employee services in previous periods due to modifications to defined benefit plans.
- ② Net interest on defined benefit plans' net liabilities or net assets, including interest income on plan assets, interest expenses on obligations under defined benefit plans and interest affected by asset limit.
- ③ Changes arising from remeasurement of net liabilities or net assets of defined benefit plans.

Unless other accounting standards require or permit the costs of employee benefits to be included in asset costs, the Company includes items ① and ② above in profit or loss for the period and includes item ③ in other comprehensive income and will not reclassify it to profit or loss in subsequent accounting periods. Upon termination of the original defined benefit plan, the equity component previously included in other comprehensive income is fully transferred to undistributed profits.

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

Where termination benefits are provided to employees, the Company recognizes liabilities of employee remuneration arising from termination benefits at the earlier of the following two dates and includes them in profit or loss for the period: when the Company can no longer unilaterally withdraw the termination benefits provided due to a plan to terminate employment or a layoff proposal; when the Company recognizes the costs or expenses related to restructuring involving the payment of termination benefits.

Where an internal retirement plan for employees is implemented, the economic compensation before the official retirement date is considered as termination benefits. The wages and social insurance premiums intended to be paid to internally retired employees from the date they stop providing services to the normal retirement date are included in profit or loss for the period in a lump sum. Economic compensation after the official retirement date (such as normal retirement pension) is accounted for as post-employment benefits.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 22. Employee Remuneration (continued)

##### (5) Other long-term benefits

Other long-term employee benefits provided by the Company that qualify as defined contribution plans are accounted for according to the requirements in relation to defined contribution plans above. If the benefits qualify as defined benefit plans, they are accounted for according to the requirements in relation to defined benefit plans above, but the “changes arising from remeasurement of net liabilities or net assets of defined benefit plans” component of the related employee remuneration costs is included in profit or loss for the period or related asset costs.

#### 23. Provisions

If the obligation related to contingencies meets all of the following conditions, the Company will recognize it as provision:

- (1) The obligation is a current obligation undertaken by the Company;
- (2) The performance of the obligation is likely to result in an outflow of economic benefits from the Company;
- (3) The amount of the obligation can be reliably measured.

Provisions are initially measured at the best estimate of the expenditure required to settle the current obligation, taking into account factors such as the risks, uncertainties and time value of money related to the contingencies. Where the time value of money has a significant impact, the best estimate is determined by discounting the relevant future cash outflows. The Company reviews the carrying amount of provisions on the balance sheet date and adjusts the carrying amount to reflect the current best estimate.

If the expenditure required to settle the recognized provisions is expected to be fully or partially compensated by third parties or other parties, the compensation amount may only be recognized as an asset separately when it is reasonably certain to be received. The recognized compensation amount shall not exceed the carrying amount of the recognized liabilities.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 24. Revenue

##### (1) General principles

The Company recognizes revenue when it fulfils the performance obligation in the contract, i.e. when the customer obtains control of the related goods or services.

If the contract includes two or more performance obligations, the Company will allocate the transaction price to each individual performance obligation based on the relative proportion of the standalone selling price of the goods or services committed under each individual performance obligation on the contract inception date, and measure revenue according to the transaction price allocated to each individual performance obligation.

When any of the following conditions are met, the Company fulfils its performance obligation over a period of time; otherwise, it fulfils its performance obligations at a point in time:

- ① The customer obtains and consumes the economic benefits brought by the Company's performance upon performance by the Company.
- ② The customer is able to control the goods in progress during the Company's performance process.
- ③ The goods produced during the performance of the Company have irreplaceable uses, and the Company has the right to receive payments for the cumulative performance completed to date throughout the term of the contract.

For performance obligations fulfilled over a period of time, the Company recognizes revenue based on the progress of performance during that period. When the progress of performance cannot be reasonably determined, the Company recognizes revenue based on the costs incurred that are expected to be recoverable until the progress of performance can be reasonably determined.

For performance obligations fulfilled at a point in time, the Company recognizes revenue at the point when the customer obtains control of the related goods or services. When determining whether the customer has obtained control of the goods or services, the Company considers the following indicators:

- ① The Company has the current right to receive payment for the goods or services, i.e. the customer has the current obligation to pay for the goods.
- ② The Company has transferred the legal ownership of the goods to the customer, i.e. the customer has the legal ownership of the goods.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 24. Revenue (continued)

##### (1) General principles (continued)

- ③ The Company has transferred the physical goods to the customer, i.e. the customer physically possesses the goods.
- ④ The Company has transferred the major risks and rewards of ownership of the goods to the customer, i.e. the customer has acquired the major risks and rewards of ownership of the goods.
- ⑤ The customer has accepted the goods or services.
- ⑥ Other indications that the customer has obtained control of the goods.

##### (2) Specific methods

The specific methods for revenue recognition of the principal businesses of the Company are as follows:

###### *Construction contracts*

The construction contracts between the Company and its customers generally include performance obligations for project construction. Since the customers can control the assets under construction during the Company's performance process, the Company treats it as a performance obligation fulfilled over a period of time and recognizes revenue based on the progress of performance, unless the progress of performance cannot be reasonably determined. The progress of performance of the Company is measured based on the expenses or investment incurred by the Company for completing its performance obligations. Such progress is calculated based on the proportion of costs incurred for each contract as at the balance sheet date to the budgeted costs. When the progress of performance cannot be reasonably determined for costs incurred that are expected to be compensated, the Company recognizes revenue based on the costs incurred until the progress can be reasonably determined.

Based on contractual agreement, the customers would adjust the agreed contract amount based on the final inspection outcome, and the Company would determine the transaction price upon adjusting the contract amount based on historical experience.

When the outcome of a contract cannot be reasonably measured, revenue is recognized only to the extent of the contract costs expected to be recovered.

If the estimated cost to complete the contract exceeds the remaining balance of consideration under the contract, a provision shall be recognized in accordance with the Accounting Standards for Business Enterprises No. 14 — Revenue.

The Company generally provides a guarantee for the repair of any construction defects and does not offer an extended warranty in the construction contract signed with customers. Therefore, most existing guarantees are considered to be assurance-type guarantees under the Accounting Standards for Business Enterprises No. 14 — Revenue. The quality guarantee deposit is presented as a contract asset before the retention period expires. The relevant amount of contract assets will be reclassified as accounts receivable after the retention period expires.

## Notes to the Financial Statements

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### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 24. Revenue (continued)

##### (2) *Specific methods (continued)*

###### *Contracts with multiple performance obligations (including allocation of transaction price)*

For contracts that contain more than one performance obligation, including certain concession projects (including “build-operate-transfer”), the Company allocates the transaction price to each performance obligation based on the relative standalone selling price. The standalone selling prices of the distinguishable goods or services related to each performance obligation are determined when the contract is entered into, which are the prices at which the Company will sell the committed goods or services to customers independently. If the standalone selling prices cannot be directly obtained, the Company will use appropriate techniques to estimate them. The final allocation of the transaction price to any performance obligation reflects the consideration the Company expects to receive when transferring the committed goods or services to the customer.

###### *Provision of design service*

The Company provides design services to external parties. For design contracts with non-substitutable purposes where the Company has an enforceable right to payment for performance completed to date throughout the contract period, revenue is recognized over time based on the progress towards complete satisfaction of the performance obligation. The progress is determined as the proportion of costs incurred to date relative to the estimated total costs. At the balance sheet date, the Company reassesses the progress of completed services to ensure it reflects changes in performance status.

For other design contracts, the Company recognizes revenue upon completion of design services, submission of design proposals to customers, and formal customer acceptance.

For contracts containing two or more distinct performance obligations, the Company allocates the transaction price to each obligation at contract inception based on the relative stand-alone selling prices of each service. Stand-alone selling prices are determined based on the Company’s pricing for individually sold services.

###### *Sale of goods such as LNG and electricity*

When the goods are delivered to the customer and the customer has accepted the goods, the customer obtains control of the goods and the Company recognizes revenue.

For the sale of goods with sales return clauses, revenue recognition is limited to the amount of cumulative recognized revenue that is highly unlikely to undergo significant reversal. The Company recognizes a liability for the expected refund amount and recognizes an asset for the balance of the book value of the goods expected to be returned when transferred, less the costs expected to be incurred in recovering the goods (including impairment of the returned goods’ value).

###### *Rental income*

The accounting policy for rental income is set out in Note III.28.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 25. Contract Costs

The contract costs include the incremental costs incurred to obtain the contract and the contract performance costs.

The incremental costs incurred to obtain the contract refer to the costs that would not have been incurred if the Company did not obtain the contract (such as sales commissions). If these costs are expected to be recoverable, the Company will treat them as contract obtaining costs and recognize them as an asset. The Company records other expenses incurred to obtain the contract, except for the incremental costs expected to be recovered, in profit or loss for the period in which they are incurred.

For costs incurred to fulfil the contract, which do not fall under the scope of other Accounting Standards for Business Enterprises such as inventory and meet all of the following conditions, the Company treats them as contract performance costs and recognize them as an asset:

- ① The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing overhead (or similar costs), costs explicitly borne by the customer and other costs incurred solely due to the contract;
- ② The cost increases the resources the Company will use to fulfil performance obligations in the future;
- ③ The cost is expected to be recovered.

The asset recognized for contract obtaining costs and the asset recognized for contract performance costs (hereinafter "asset related to contract costs") are amortized on the same basis as the revenue recognition of the goods or services related to the assets and included in profit or loss for the period.

When the carrying amount of an asset related to contract costs is higher than the difference between the following two items, the Company makes an impairment provision for the excess portion and recognizes it as an asset impairment loss:

- ① The remaining consideration the Company expects to receive for the transfer of goods or services related to the asset;
- ② The estimated cost to be incurred to transfer the related goods or services.



### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 26. Government Grants

Government grants are recognized when the conditions attached to them are met and they can be received.

Government grants that are monetary assets are measured based on the amount received or receivable. Government grants that are non-monetary assets are measured at fair value. If the fair value cannot be reliably obtained, they are measured at a nominal amount of RMB1.

Government grants related to assets refer to the government grants obtained by the Company for the purchase, construction or otherwise formation of long-term assets; other than this, they are considered as government grants related to income.

For granted items that are not specified in government documents, the part of government grants that can form long-term assets and corresponds to the asset value is treated as government grants related to assets, while the remaining part is treated as government grants related to income. If it is difficult to distinguish, the government grants as a whole are treated as government grants related to income.

Government grants related to assets are recognized as deferred income and included in profit or loss in installments according to a reasonable and systematic method during the useful life of the related assets. Government grants related to income that are used to compensate for related costs, expenses or losses incurred are included in profit or loss for the period. Those used to compensate for related costs, expenses or losses in future periods are included in deferred income and are recognized in profit or loss for the period in which the related costs, expenses or losses are recognized. Government grants measured at nominal amounts are directly included in profit or loss for the period. The Company accounts for identical or similar government grants in a consistent manner.

Government grants related to daily activities are included in other income according to the economic substance. Government grants unrelated to daily activities are included in non-operating income.

When the recognized government grants need to be returned, if the carrying amount of the related asset was offset at initial recognition, the carrying amount of the asset is adjusted; if there is a balance of related deferred income, the balance of the carrying amount of the related deferred income is offset, with any excess amount included in profit or loss for the period; for other situations, they are directly included in profit or loss for the period.

For interest subsidies obtained for policy-based preferential loans, if the financial department allocates the subsidy funds to the lending bank, the borrowing amount actually received will be used as the record value of the borrowing, and the borrowing cost will be calculated based on the principal and the policy-based preferential interest rate. If the financial department allocates the subsidy funds directly to the Company, the interest subsidy will be used to offset the borrowing cost.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 27. Deferred Income Tax Assets and Deferred Income Tax Liabilities

Income tax includes current income tax and deferred income tax. Except for adjustments to goodwill arising from business combinations or deferred income tax related to transactions or events directly attributable to owners' equity that is included in owners' equity, deferred income tax is accounted for as income tax expenses in profit or loss for the period.

The Company recognizes deferred income tax using the balance sheet liability method based on the temporary differences between the carrying amounts of assets and liabilities on the balance sheet date and their tax bases.

Related deferred income tax liabilities are recognized for all taxable temporary differences, unless the taxable temporary differences arise from the following transactions:

- (1) The initial recognition of goodwill, or the initial recognition of assets or liabilities arising from transactions with the following characteristics: the transaction is not a business combination, and it does not affect accounting profit nor taxable income at the time of the transaction;
- (2) For taxable temporary differences related to investments in subsidiaries, joint ventures and associates, the timing of the reversal of such temporary differences can be controlled and it is probable that such temporary differences will not be reversed in the foreseeable future.

For deductible temporary differences, deductible losses and tax credits that can be carried forward to subsequent years, the Company recognizes the deferred income tax assets arising from these to the extent that it is probable that future taxable income will be available to offset the deductible temporary differences, deductible losses and tax credits unless the deductible temporary differences arise from the following transactions:

- (1) The transaction is not a business combination, and it does not affect accounting profit nor taxable income at the time of the transaction;
- (2) For deductible temporary differences related to investments in subsidiaries, joint ventures and associates, corresponding deferred income tax assets are recognized if all of the following conditions are met: it is probable that the temporary differences will be reversed in the foreseeable future, and it is probable that taxable income will be available in the future to offset the deductible temporary differences.

On the balance sheet date, the Company measures deferred income tax assets and deferred income tax liabilities at the applicable tax rates for the period in which the asset is expected to be recovered or the liability is expected to be settled, and reflects the income tax effects of the expected recovery of assets or settlement of liabilities on the balance sheet date.

On the balance sheet date, the Company reviews the carrying amount of deferred income tax assets. If it is probable that sufficient taxable income will not be available to offset the benefits of deferred income tax assets in future periods, the carrying amount of deferred income tax assets shall be written down. When it is probable that sufficient taxable income will be available, the written-down amount shall be reversed.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 27. Deferred Income Tax Assets and Deferred Income Tax Liabilities (continued)

On the balance sheet date, deferred income tax assets and deferred income tax liabilities are presented as net amounts after offsetting when both of the following criteria are met:

- (1) The taxpayer of the Company has the legal right to net settlement of current income tax assets and current income tax liabilities;
- (2) Deferred income tax assets and deferred income tax liabilities are related to income taxes levied by the same tax collection authority on the same taxpayer within the Company.

#### 28. Leases

##### (1) Identification of leases

At the contract inception date, the Company, as the lessee or lessor, assesses whether the customer in the contract has the right to obtain almost all of the economic benefits generated from the use of the identified asset during the usage period and has the right to direct the use of the identified asset during that period. If a party to the contract transfers the right to control the use of one or more identified assets for a certain period in exchange for consideration, the Company considers the contract is or contains a lease.

##### (2) The Company as the lessee

At the lease commencement date, the Company recognizes right-of-use assets and lease liabilities for all leases, except for short-term leases and leases of low-value assets under simplified treatment.

See Note 29 for the accounting policy for right-of-use assets.

The lease liability is initially measured at the present value of the lease payments unpaid at the lease commencement date, discounted using the interest rate implicit in the lease or, if the interest rate implicit in the lease cannot be determined, the incremental borrowing rate. The lease payments include: fixed payments and in-substance fixed payments less the amount related to lease incentives if there are lease incentives; variable lease payments depending on indices or rates; the exercise price of purchase options, provided that the lessee is reasonably certain to exercise the options; payments required to exercise the lease termination options, provided that the lease term reflects that the lessee will exercise the lease termination options; and the expected payments under the guaranteed residual value provided by the lessee. Subsequently, interest expense on the lease liability for each period within the lease term is calculated according to the fixed periodic interest rate, and is included in profit or loss for the period. Variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss when they occur.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 28. Leases (continued)

##### (2) The Company as the lessee (continued)

###### *Short-term leases*

Short-term leases are leases with a lease term of 12 months or less at the lease commencement date, excluding leases with a purchase option.

The Company includes the lease payments of short-term leases in the cost of related assets or the profit or loss for the period on a straight-line basis over the lease term.

###### *Leases of low-value assets*

Leases of low-value assets are leases where the value of a single leased asset is less than RMB40,000 when it is a brand new asset.

The Company includes the lease payments of leases of low-value assets in the cost of related assets or the profit or loss for the period on a straight-line basis during each period within the lease term.

For leases of low-value assets, the Company chooses to adopt the aforementioned simplified treatment based on the specific circumstances of each lease.

###### *Lease modification*

If a lease is modified and the following conditions are met, the Company will account for the lease modification as a separate lease: ① the lease modification expands the lease scope by adding the right to use one or more leased assets; ② the increased consideration is equivalent to the standalone price of the expanded part of the lease scope, adjusted according to the contract.

Except for contract modifications that apply the simplified method as specified in Caikuai [2022] Document No. 13, if a lease modification is not accounted for as a separate lease, at the effective date of lease modification, the Company will reallocate the consideration of the modified contract, redetermine the lease term, and remeasure the lease liability based on the present value calculated using the modified lease payments and revised discount rate.

If a lease modification results in a decrease in the lease scope or a shortening of the lease term, the Company will reduce the carrying amount of the right-of-use asset accordingly and recognize any gain or loss related to the partial or full termination of the lease in profit or loss for the period.

For other lease modifications that result in the remeasurement of lease liabilities, the Company will adjust the carrying amount of the right-of-use asset accordingly.

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### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 28. Leases (continued)

##### (3) The Company as the lessor

When the Company acts as a lessor, it recognizes leases that transfer substantially all the risks and rewards related to asset ownership as finance leases, and other leases apart from finance leases as operating leases.

##### *Finance leases*

For finance leases, the Company records the net investment in the lease as the carrying amount of the receivable finance lease at the commencement date of the lease. The net investment in the lease is the sum of the unguaranteed residual value and the present value of the lease payments not yet received at the commencement date, discounted at the interest rate implicit in the lease. The Company, as the lessor, calculates and recognizes interest income for each period within the lease term based on a fixed periodic interest rate. The variable lease payments obtained by the Company as the lessor, which are not included in the net investment in the lease, are recognized in profit or loss for the period when they actually occur.

The derecognition and impairment of receivables finance leases are accounted for in accordance with the Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments and the Accounting Standards for Business Enterprises No. 23 — Transfer of Financial Assets.

##### *Operating leases*

The rental income from operating leases is recognized in profit or loss for the period by the Company on a straight-line basis over each period within the lease term. Initial direct costs related to operating leases should be capitalized and allocated over the lease term on the same basis as rental income recognition, and recognized in profit or loss for the period in instalments. The variable lease payments related to operating leases that are not included in the lease receipts are recognized in profit or loss for the period when they actually occur.

##### *Lease modification*

Except for contract modifications that apply the simplified method as specified in Caikuai [2022] Document No. 13, if there is a modification in operating leases, the Company will account for it as a new lease from the effective date of the modification. Any prepaid or receivable lease payments related to the lease before the modification will be considered as receipts for the new lease.

Except for contract modifications that apply the simplified method as specified in Caikuai [2022] Document No. 13, if a finance lease is modified and the following conditions are met, the Company will account for the modification as a separate lease: ① the modification expands the lease scope by adding the right to use one or more leased assets; ② the increased consideration is equivalent to the standalone price of the expanded part of the lease scope, adjusted according to the contract.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 28. Leases (continued)

##### (3) *The Company as the lessor (continued)*

###### *Lease modification (continued)*

If the modification in finance lease is not accounted for as a separate lease, the Company will treat the modified lease under the following circumstances: ① if the modification is effective on the lease commencement date and the lease is classified as an operating lease, the Company will account for it as a new lease from the effective date of the modification, using the net investment in the lease before the effective date of the modification as the carrying amount of the leased asset; ② if the modification is effective on the lease commencement date and the lease is classified as a finance lease, the Company will account for it according to the requirements of the Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments as to contract modification or renegotiation.

###### *Sublease*

When the Company acts as a sublessor, it classifies the sublease based on the right-of-use asset arising from the original lease. If the original lease is a short-term lease and the Company has applied simplified treatment to the original lease, the sublease is classified as an operating lease.

##### (4) *Sale and leaseback*

The lessee and the lessor shall assess and determine whether the transfer of assets in a sale and leaseback transaction is a sale in accordance with the requirements of the Accounting Standard for Business Enterprises No. 14 — Revenue.

Where asset transfer under the sale and leaseback transactions is a sale, the 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. The lessor shall account for the purchase of assets in accordance with other applicable Accounting Standard for Business Enterprises and account for the lease of assets in accordance with this standard.

Where asset transfer under the sale and leaseback transactions is not a sale, the lessee shall continue to recognize the transferred assets while recognizing a financial liability equal to the transfer income and account for such financial liability according to the Accounting Standard for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments; or not to recognize the transferred assets but recognize a financial asset equal to the transfer income and account for such financial asset according to the Accounting Standard for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 29. Right-of-Use Assets

##### (1) *Recognition criteria for right-of-use assets*

The right-of-use asset refers to the right of the Company, as the lessee, to use the leased asset during the lease term.

At the lease commencement date, the right-of-use asset is initially measured at cost. The cost includes: the initial measurement amount of the lease liability; lease payments made on or before the lease commencement date, less the amount related to lease incentives entitled if there are lease incentives; initial direct costs incurred by the Company as the lessee; and the costs expected to be incurred by the Company as the lessee for dismantling and removing the leased asset, restoring the site where the leased asset is located, or restoring the leased asset to the condition agreed upon in the lease terms. The Company, as the lessee, recognizes and measures the costs of dismantling and restoration in accordance with the Accounting Standards for Business Enterprises No. 13 — Contingencies. Subsequent adjustments will be made for any remeasurement of lease liabilities.

##### (2) *Depreciation of right-of-use assets*

The Company adopts the straight-line method for depreciation. If the Company, as the lessee, can reasonably determine that it will obtain ownership of the leased asset at the end of the lease term, depreciation will be provided over the remaining useful life of the leased asset. If it is not reasonably certain that ownership of the leased asset can be obtained at the end of the lease term, depreciation is provided over the shorter of the lease term and the remaining useful life of the leased asset.

##### (3) See Note 20 for the impairment test and the impairment provision for right-of-use assets.

#### 30. Safety Production Expenses and Maintenance Expenses

The Company accrues for safety production expenses according to the regulations in the Notice on Issuing the Management Measures for the Appropriation and Use of Enterprise Safety Production Expenses issued by the Ministry of Finance and the State Administration of Work Safety.

The safety production expenses and maintenance expenses are included in the cost of related products or the profit and loss for the period when accrued, and are simultaneously included in the "special reserve" item.

For the accrued safety production expenses and maintenance expenses used within the stipulated range, if they belong to expense-type expenditure, they directly offset the special reserve; if they form fixed assets, the expenditure incurred is first accumulated through the "construction in progress" item, and upon completion of the safety project and reaching the intended usable state, it is recognized as a fixed asset. Meanwhile, the cost of forming the fixed asset offsets the special reserve, and an equal amount of accumulated depreciation is recognized. Depreciation will no longer be accrued for this fixed asset in subsequent periods.



### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 31. Exchange of Non-monetary Assets

If the exchange of non-monetary assets has commercial substance and the fair value of the exchange-in asset or the exchange-out asset can be reliably measured, the exchange of non-monetary assets is measured at fair value. The difference between the consideration received and the carrying amount of the exchange-out asset on derecognition is recognized in profit or loss for the period.

Exchange of non-monetary assets that does not meet the conditions for fair value measurement is measured based on book value. For the exchange-in asset, the initial measurement amount is based on the book value of the exchange-out asset and the relevant taxes and levies to be paid. For the exchange-out asset, no gains or losses are recognized upon derecognition.

#### 32. Debt Restructuring

##### (1) *The Company as debtor*

Debt is derecognized when the present obligation of the debt is discharged, specifically, gains or losses related to debt restructuring are recognized when uncertainty about the process and outcome of executing the debt restructuring agreement is eliminated.

If a debt restructuring is carried out by settling the debt with an asset, the Company derecognizes the debt when the related asset and the debt settled meet the conditions for derecognition, and the difference between the carrying amount of the debt settled and the carrying amount of the asset transferred is recognized in profit or loss for the current period.

For debt restructuring by converting debt to equity instruments, the Company derecognizes the debt when the debt settled meets the conditions for derecognition. The Company initially recognizes an equity instrument at the fair value of the equity instrument. If the fair value of the equity instrument cannot be reliably measured, it is measured at the fair value of the debt settled. The difference between the carrying amount of the debt settled and the amount recognized for the equity instrument is recognized in profit or loss for the current period.

If debt restructuring is carried out by modifying other terms, the Company recognizes and measures the restructured debt in accordance with the provisions of the Accounting Standard for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments and the Accounting Standard for Business Enterprises No. 37 — Presentation of Financial Instruments.

If debt restructuring is carried out by using multiple assets to settle debts or a combination of them, the Company recognizes and measures equity instruments and restructured debts in accordance with the aforementioned methods, and the difference between the carrying value of the debts settled and the sum of the carrying value of the transferred assets and the recognized amounts of equity instruments and restructured debts is recognized in profit or loss for the current period.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 32. Debt Restructuring (continued)

##### (2) *The Company as creditor*

Claims are derecognized when the contractual right to receive cash flows from the claims is terminated. Specifically, gains or losses related to debt restructuring are recognized when uncertainty about the process and outcome of debt restructuring agreements is eliminated.

For debt restructuring by means of settlement of debts by assets, the Company initially recognizes assets other than transferred financial assets at cost, of which the cost of inventories, including the fair value of the relinquished claims and other costs directly attributable to bringing the assets to their current location and condition, such as taxes, transportation, handling and insurance, etc., are measured at cost. The cost of an investment in an associate or a joint venture includes the fair value of the relinquished claims and other costs such as taxes directly attributable to the asset. The cost of investment property includes the fair value of the relinquished claims and other costs such as taxes directly attributable to the asset. The cost of fixed assets includes the fair value of the relinquished claims and other costs directly attributable to the asset, such as taxes, transportation, loading and unloading, installation, and professional services, incurred before the asset is brought to its intended useable condition. The cost of intangible assets consists of the fair value of the relinquished claims and other costs directly attributable to taxes incurred to bring the asset to its intended use. The difference between the fair value and the carrying amount of the relinquished claims is recognized in profit or loss for the current period.

If a debt restructuring by way of conversion of debt to equity instruments results in the Company converting the debt to an equity investment in an associate or a joint venture, the Company measures the initial investment cost of the debt at the fair value of the relinquished claims and other costs directly attributable to the asset, such as taxes. The difference between the fair value of the relinquished claims and the carrying amount is recognized in profit or loss for the current period.

If debt restructuring is carried out by modifying other terms, the Company recognizes and measures the restructured claims in accordance with the provisions of the Accounting Standard for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments.

For debt restructuring using multiple assets to settle debts or a combination of them, the Company first recognizes and measures the transferred financial assets and restructuring claims in accordance with the provisions of the Accounting Standard for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments, and then, in proportion to the fair value of each of the assets other than the transferred financial assets, allocation is made to the net amount of fair value of the relinquished claims after deducting the recognized amounts of the transferred financial assets and restructured claims, and the cost of each asset is determined separately on this basis in accordance with the aforementioned method. The difference between the fair value and the carrying amount of the relinquished claims is recognized in profit or loss for the current period.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 33. Segment Information

The Company identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors, being the chief operating decision maker, for their decisions about resources allocation to the Company's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Company's major product and service lines.

The Company has identified the following two reportable segments according to its services, for the purpose of management:

Construction contracting segment — this segment provides services related to construction contracting as contractors engaged in professional industrial construction, professional auxiliary construction projects and other construction projects. The construction projects mainly includes electric power engineering, petrochemical engineering, hydromechanical installer engineering, metallurgical engineering, hydraulic and hydro-power engineering, urban railway engineering, mining, standardized plants, heating, water supply, sewage, gas, lighting, environmental protection engineering, road and bridge engineering, agricultural engineering, residential construction engineering, office construction engineering, commercial construction engineering, science, education, culture and health construction engineering, building decoration and decoration engineering, electronic and intelligent engineering, assembly trial construction engineering and other project construction contracting services.

Non-construction segment — this segment is mainly engaged in non-construction business, which mainly includes contractual energy management income, sales of LNG, trading income and operating fee income of PPP projects and other services. Management monitors the results of the Company's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Company's profit before tax. Inter-segment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices. The measurement policies adopted by the Company for reporting segment results according to the Accounting Standards for Business Enterprises No. 35 — Segment Reporting are the same as those adopted for the financial statements prepared in accordance with the Accounting Standards for Business Enterprises.



## Notes to the Financial Statements

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### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 34. Related Parties

A party is considered to be related to the Company if it is:

- (1) the parent company of the Company;
- (2) a subsidiary of the Company;
- (3) an enterprise under control of the same parent company as the Company;
- (4) an investor who has joint control over the Company;
- (5) an investor who has significant influence over the Company;
- (6) a joint venture of the Company;
- (7) an associate of the Company;
- (8) the primary individual investor of the Company and his closely related family member. The primary individual investor refers to an individual investor who can control, jointly control, or exert significant influence over an enterprise;
- (9) the key management personnel of the Company or its parent company and his closely related family member. The key management personnel refers to an individual who has the authority and responsibility for planning, directing and controlling the activities of the enterprise. A closely related family member of the primary individual investor or key management personnel refers to the family member who may influence or be influenced by the individual when dealing with transactions with the enterprise;
- (10) the enterprise that the Company's primary individual investor, key management personnel or his closely related family member has control, joint control or significant influence.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 35. Significant Accounting Judgments and Estimates

Based on historical experience and other factors, including reasonable expectations of future events, the Company continuously evaluates the significant accounting estimates and key assumptions adopted. The significant accounting estimates and key assumptions that are likely to result in material adjustment risks to the carrying amounts of assets and liabilities in the next accounting year are listed as follows:

##### *Classification of financial assets*

Significant judgements involved in determining the classification of financial assets by the Company include the analysis of business models and contractual cash flow characteristics.

Factors considered by the Company in determining the business model for a group of financial assets include how the financial asset's performance is evaluated and reported to key management personnel, how risks affect the financial asset's performance and are managed and how the relevant management personnel are compensated.

When the Company assesses whether the contractual cash flows of the financial assets are consistent with basic lending arrangements, the main judgements are described as below: whether the principal amount may change over the life of the financial asset (for example, if there are repayments of principal); whether the interest includes only consideration for the time value of money, credit risk, other basic lending risks and consideration for cost and profit. For example, whether the amount repaid in advance reflects only the outstanding principal and interest thereon, as well as reasonable compensation paid for early termination of the contract.

##### *Revenue recognition for infrastructure construction business*

The recognition of revenue and expenses from infrastructure construction business based on the performance progress requires the management to make relevant judgement. If the infrastructure construction contract is expected to incur loss, such type of loss shall be recognized as the current expense. The management of the Company estimates loss which may be incurred based on the budget for infrastructure construction contract. Based on the characteristics of infrastructure construction, the date of signing contracts and the date of project completion are usually vested in different accounting periods.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 35. Significant Accounting Judgments and Estimates (continued)

##### *Revenue recognition for infrastructure construction business (continued)*

Based on the terms of the contracts, the Company combines previous customary practices to determine the transaction price, and takes into consideration the impact of factors such as variable consideration and significant financing components in the contracts. In the course of performance, the Company continues to verify the estimated total revenue of contracts and estimated total cost of contracts. When there occurs changes in the initial estimation, such as changes in contracts, claims and rewards, amendments would be made to the estimated total revenue of contracts and estimated total cost of contracts. When the estimated total cost of contracts exceeds the estimated total revenue of contracts, cost of the principal business and estimated liabilities would be recognized based on the losing contracts pending to be executed. Meanwhile, the Company continuously monitors the payment progress of the landlord based on terms of the contracts, and regularly assesses the credibility of the landlord. In case there is condition indicating the landlord is likely to default in the payment of all or part of the contract price, the Company will make re-evaluation on the impact on the financial statements by the expected credit loss for the entire sustaining period of such contract assets, and may amend the amount of credit impairment loss. Such amendment will reflect in the prevailing financial statements where the Company makes re-evaluation and is required to amend the credit impairment loss.

##### *Impairment provision of receivables and contract assets*

The Company makes impairment accounting treatments and recognizes impairment provisions for receivables and contract assets based on expected credit risk. When assessing the impairment loss of such assets using a combined approach, the relevant provision amount is determined by combining the historical loss experience of assets with similar credit risk characteristics, observable data reflecting current conditions, and reasonable forecasts for the future. The Company regularly reviews the methods and assumptions used to estimate the amount and timing of future cash flows of relevant assets and continuously revises the estimates of expected credit risk. If there is an unexpected significant change in the credit status of important debtors or customers, it may have a significant impact on the operating performance of the corresponding future periods.

##### *Income tax*

The Company's determination of income tax involves judgments on the future tax treatment of certain transactions. In view of the fact that the Company pays corporate income tax in multiple regions, the Company will carefully assess the tax impact of each transaction and accrue the corresponding income tax. The Company regularly reassesses the tax implications of these transactions based on updated tax regulations. The recognition of deferred income tax assets requires the Company to assess the likelihood of obtaining future taxable income. The Company continuously reviews the judgments on deferred income tax. Deferred income tax assets are recognized for deductible temporary differences and deductible tax losses only if it is probable that future taxable income will be available against which the deductible temporary differences and deductible tax losses can be utilized. Nevertheless, there remains a risk of significant differences in the final tax impact and management's judgement.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 35. Significant Accounting Judgments and Estimates (continued)

##### *Defined benefit scheme liability*

The Company has recognized the original benefit scheme for the resigned and internally retired staff as a liability. The amounts of such benefit fee expenses and liabilities are calculated and paid based on various assumptions and conditions. Such assumptions and conditions include discount rate, benefit growth rate and average medical expense growth rate. Given the long duration of such schemes, the above estimations have relatively large uncertainties.

##### *Impairment of goodwill*

The Company assesses goodwill for impairment at least once every year. This requires estimating the value in use of the asset groups to which goodwill has been allocated. When estimating the value in use, the Company needs to estimate the future cash flows from the asset group and select an appropriate discount rate to calculate the present value of future cash flows.

##### *Fair value determination of unlisted equity investments*

The fair value of unlisted equity investments is based on the expected future cash flows discounted at the current discount rate of projects with similar terms and risk characteristics. This valuation has uncertainties as it requires the Company to estimate the expected future cash flows and discount rates. Under limited circumstances, if the information used to determine fair value is insufficient, or the possible range of fair value estimates is very wide, and the cost represents the best estimate of fair value within that range, then the cost can represent an appropriate estimate of fair value within that range.

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

Investment properties are revalued at the end of the reporting period based on the appraised market value provided by independent professional valuers. These valuations are based on certain assumptions, which are subject to uncertainties and may differ significantly from actual results. When making estimates, the Company will consider data on the current prices of similar buildings in an active market and adopt assumptions primarily based on market conditions that existed at the end of previous reporting periods.

#### 36. Changes in Significant Accounting Policies and Accounting Estimates

##### *(1) Changes in significant accounting policies*

There were no changes in significant accounting estimates of the Company during the current period.

##### *(2) Changes in significant accounting estimates*

There were no changes in significant accounting estimates of the Company during the current period.



## Notes to the Financial Statements

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### IV. TAXATION

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

Tax type	Tax basis	Statutory tax rate %
Value-added tax (VAT)	Taxable value-added amount (the taxable amount is calculated based on the balance of taxable sales multiplied by the applicable tax rate after subtracting the deductible input tax for the current period)	13%, 9%, 6%, 5%, 3%
City maintenance and construction tax	The sum of VAT actually paid	7%, 5%
Educational surcharge	The sum of VAT actually paid	3%
Local educational surcharge	The sum of VAT actually paid	2%
Corporate income tax	Taxable income	25%, 20%, 15%

Taxpayers of the Company subject to different corporate income tax rate and their applicable income tax rates are set out below:

Name of taxpayer	Income tax rate %
Shanxi Installation Group Co., Ltd. (hereinafter referred to as "Shanxi Installation")	15.00
Shanxi Shan'an Bluesky Energy Conservation Technology Co., Ltd. (hereinafter referred to as "Shan'an Bluesky")	15.00
Shanxi Shan'an Lide Environmental Technology Co., Ltd. (hereinafter referred to as "Shan'an Lide")	15.00
Shanxi Shan'an Biquan Haimian City Technology Co., Ltd. (hereinafter referred to as "Shan'an Biquan")	15.00
Shanxi Shan'an Maode Distributed Energy Technology Co., Ltd. (hereinafter referred to as "Shan'an Maode")	15.00
Shanghai Shan'an Construction Engineering Co., Ltd. (hereinafter referred to as "Shanghai Shan'an")	15.00
Chongqing Shan'an Construction Engineering Co., Ltd.	20.00
Hubei Shan'an Construction Engineering Co., Ltd.	20.00
Shan'an Runxing New Energy (Lvliang) Co., Ltd. (hereinafter referred to as "Shan'an Runxing")	20.00
Liaoning Yingkou Shan'an New Energy Co., Ltd.	20.00
Hong'an Shan'an Construction Engineering Co., Ltd.	20.00
Shanxi Shan'an Maode Electricity Supply Co., Ltd.	20.00
Yuanping Shan'an Biquan Waterwork Development Limited	20.00
Wenshui Shan'an Biquan Waterwork Development Limited	20.00
Shanxi Ningyang Energy Co., Ltd. (hereinafter referred to as "Shanxi Ningyang")	25.00
Guangdong Shan'an Construction Engineering Co., Ltd.	25.00
Shanxi Shan'an Lida Environmental Technology Co., Ltd.	25.00
Gaoping City Shan'an Five Roads One River Construction Development Co., Ltd.	25.00

## Notes to the Financial Statements

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### IV. TAXATION (continued)

#### 1. Major types of taxes and respective tax rates (continued)

Name of taxpayer	Income tax rate %
Lingchuan Shan'an Construction Development Co., Ltd.	25.00
Huguan Shan'an Two Roads Three Streets Construction Development Co., Ltd.	25.00
Changzhi Shan'an Construction Development Co., Ltd.	25.00
Xinjiang Shan'an Waterwork Management Co., Ltd. (hereinafter referred to as " <b>Xinjiang Shan'an</b> ")	25.00
Xiyang Shan'an Comprehensive Pipeline Construction Development Co., Ltd. (hereinafter referred to as " <b>Xiyang Shan'an</b> ")	25.00
Qinshui Shan'an Culture and Sport Construction Development Co., Ltd. (hereinafter referred to as " <b>Qinshui Culture and Sport</b> ")	25.00
Jiexiu Shan'an Waterwork Construction Development Co., Ltd. (hereinafter referred to as " <b>Jiexiu Shan'an</b> ")	25.00
Shanxi Zhuo'an Materials Trading Co., Ltd. (hereinafter referred to as " <b>Zhuo'an Materials</b> ")	25.00
Xiangyuan Shan'an Road and Bridge Construction Development Co., Ltd.	25.00
Linfen Shan'an Waterwork Development Co., Ltd.	25.00
Son Tay Viet Nam Construction Co., Ltd.	20.00
Australia Shan'an Construction Engineering Pty Limited	30.00
Jinzhong Shan'an Lide Solid Waste Utilization Technology Co., Ltd.	25.00
Shaanxi Shan'an Construction Engineering Co., Ltd.	25.00
Yangquan Shan'an Construction Development Co., Ltd.	25.00
Qinshui Shan'an Construction Development Co., Ltd. (hereinafter referred to as " <b>Qinshui Construction Development</b> ")	25.00
Shanxi Installment Xiaoyi Construction Engineering Co., Ltd.	25.00
Xiyang Shan'an New Energy Co., Ltd.	25.00
Baode Shan'an New Energy Co., Ltd.	25.00
Daning Shan'an Xinyuan Co., Ltd.	25.00

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### IV. TAXATION (continued)

#### 1. Major types of taxes and respective tax rates (continued)

Name of taxpayer	Income tax rate %
Fenxi Shan'an Xinyuan Co., Ltd.	25.00
Shilou Shan'an New Energy Co., Ltd.	25.00
Changzhi Caihui Shan'an Energy Technology Co., Ltd. (hereinafter referred to as "Changzhi Caihui Shan'an")	25.00
Yangquan Shan'an New Energy Co., Ltd.	25.00
Taiyuan Yingze District Shan'an New Energy Co., Ltd.	25.00
Runan New Energy (Ningwu) Co., Ltd.	25.00
Xiyang Shan'an Lvyuan New Energy Co., Ltd.	25.00
Shanxi Shan'an Deyuchen Energy Technology Co., Ltd.	25.00
Gaoping Xinshi Yangtian Solar Power Co., Ltd. (hereinafter referred to as "Xinshi Yangtian")	15.00
Pingyao Shan'an Maode Solar Technology Co., Ltd.	25.00
Liulin Shan'an Bluesky Heating Co., Ltd.	25.00
Charhar Youyi Houqi Shan'an Heat and Electricity Co., Ltd.	25.00
Siziwangqi Shan'an Thermal Power Co., Ltd.	25.00
SHAN AN CONSTRUCTION PTY LTD	30.00
Changzhi Shan'an Zhihui Green Energy Co., Ltd.	25.00

#### 2. Tax Concessions and Approvals

##### (1) Taxation concession applicable for high and new-technology corporate tax

- ① The Company has obtained the Certificates of High and New-Technology Enterprise jointly issued by Science and Technology Department of Shanxi Province, Shanxi Provincial Department of Finance and Shanxi Provincial Taxation Bureau, State Taxation Administration in November 2024, which is eligible to pay enterprise income tax (EIT) at a preferential rate of 15% from November 1, 2024 to October 31, 2027.
- ② Shan'an Bluesky, a subsidiary of the Company, has obtained the Certificates of High and New-Technology Enterprise jointly issued by Science and Technology Department of Shanxi Province, Shanxi Provincial Department of Finance and Shanxi Provincial Taxation Bureau, State Taxation Administration in November 2024, which is eligible to pay EIT at a preferential rate of 15% for a term of three years from November 1, 2024 to October 31, 2027.
- ③ Xinshi Yangtian, a subsidiary of the Company, has obtained the Certificates of High and New-Technology Enterprise jointly issued by Science and Technology Department of Shanxi Province, Shanxi Provincial Department of Finance and Shanxi Provincial Taxation Bureau, State Taxation Administration in November 2024, which is eligible to pay EIT at a preferential rate of 15% for a term of three years from November 1, 2024 to October 31, 2027.
- ④ Shan'an Biquan and Shan'an Maode, subsidiaries of the Company, have obtained the Certificates of High and New-Technology Enterprise jointly issued by Science and Technology Department of Shanxi Province, Shanxi Provincial Department of Finance and Shanxi Provincial Taxation Bureau, State Taxation Administration in 2022, which are eligible to pay EIT at a preferential rate of 15% for a term of three years from December 12, 2022 to December 11, 2025.

## Notes to the Financial Statements

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### IV. TAXATION (continued)

#### 2. Tax Concessions and Approvals (continued)

##### (1) *Taxation concession applicable for high and new-technology corporate tax (continued)*

- ⑤ Shan'an Lide, a subsidiary of the Company, has obtained the Certificates of High and New-Technology Enterprise jointly issued by Science and Technology Department of Shanxi Province, Shanxi Provincial Department of Finance and Shanxi Provincial Taxation Bureau, State Taxation Administration in December 2023, which is eligible to pay EIT at a preferential rate of 15% for a term of three years from December 8, 2023 to December 7, 2026.
- ⑥ Shanghai Shan'an, a subsidiary of the Company, has obtained the Certificates of High and New-Technology Enterprise jointly issued by the Science and Technology Commission of Shanghai Municipality, Shanghai Municipal Bureau of Finance and Shanghai Municipal Taxation Bureau, State Taxation Administration in December 2023, which is eligible to pay EIT at a preferential rate of 15% for a term of three years from December 12, 2023 to December 11, 2026.

##### (2) *Additional research and development deduction tax treatment*

The Company's operations in the PRC enjoy an additional research and development deduction tax treatment in accordance to EIT.

According to the announcement issued by the Ministry of Finance, the State Taxation Administration, and the Ministry of Science and Technology, with effect from October 1, 2022, the additional deduction ratio of research and development expenses was 100% and additional deduction ratio of amortization of the intangible assets was 200%.

##### (3) *Taxation concession applicable for small and micro-profit corporate tax*

- ① Pursuant to the requirements of the Notice of the Ministry of Finance and the State Administration of Taxation on Tax Charge Policies on Further Supporting the Development of Small and Micro Enterprises (Cai Shui [2023] No. 13), taxable income is calculated at 25% and corporate income tax is charged at 20% per year for small and micro-profit enterprises.
- ② The requirements of the aforesaid documents are applicable to subsidiaries of the Company, such as Chongqing Shan'an Construction Engineering Co., Ltd., Hubei Shan'an Construction Engineering Co., Ltd., Shan'an Runxing New Energy (Lvliang) Co., Ltd., Liaoning Yingkou Shan'an New Energy Co., Ltd., Hong'an Shan'an Construction Engineering Co., Ltd., Shanxi Shan'an Maode Electricity Supply Co., Ltd., Yuanping Shan'an Biquan Waterwork Development Limited and Wenshui Shan'an Biquan Waterwork Development Limited, and concessionary tax rate was used to calculate the taxable income for 2025.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

#### 1. Cash

Item	June 30, 2025 (unaudited)	December 31, 2024
Cash on hand	—	2
Bank deposits	1,964,807	2,200,841
Other monetary funds	276,041	425,994
<b>Total</b>	<b>2,240,848</b>	<b>2,626,837</b>
Including: Total overseas deposits	13,203	31,089

Note: As at June 30, 2025, in the monetary funds, restricted monetary funds such as security deposits for bank acceptance bills, security deposits for letter of credit, performance security deposits and funds frozen amounted to RMB276,041,000.

#### *Breakdown of restricted monetary funds*

Item	June 30, 2025 (unaudited)	December 31, 2024
Security deposits for bank acceptance bills	107,873	179,434
Security deposits for letter of credit	120,877	134,515
Performance security deposits	24,883	24,881
Funds frozen by courts	22,408	87,164
<b>Total</b>	<b>276,041</b>	<b>425,994</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 2. Bill Receivables

Type of bill	June 30, 2025 (unaudited)			December 31, 2024		
	Balance	Bad debt provision	Carrying amount	Balance	Bad debt provision	Carrying amount
Bank acceptance bills	69,240	949	68,291	119,187	1,570	117,617
Commercial acceptance bills	10,611	145	10,466	8,557	113	8,444
<b>Total</b>	<b>79,851</b>	<b>1,094</b>	<b>78,757</b>	<b>127,744</b>	<b>1,683</b>	<b>126,061</b>

(1) The Company had no pledged bill receivables at the end of the period.

(2) *Bill receivables which have been endorsed or discounted by the Company but have not matured at the end of the period*

Type	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills	—	46,473
Commercial acceptance bills	—	593
<b>Total</b>	<b>—</b>	<b>47,066</b>

(3) The Company had no bills transferred to trade receivables due to the default of the drawers at the end of the period.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 2. Bill Receivables (continued)

##### (4) Bill receivables by classification of bad debt provision

Type	June 30, 2025 (unaudited)				Carrying amount
	Balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)	
Bad debt provision on an individual basis	—	—	—	—	—
Bad debt provision on a group basis	79,851	100.00	1,094	1.37	78,757
Including:					
Bank acceptance bills	69,240	86.71	949	1.37	68,291
Commercial acceptance bills	10,611	13.29	145	1.37	10,466
Total	79,851	100.00	1,094	1.37	78,757

Continued:

Type	December 31, 2024				Carrying amount
	Balance		Bad debt provision		
		Proportion		Expected	
	Amount	(%)	Amount	credit loss rate (%)	
Bad debt provision on an individual basis	—	—	—	—	—
Bad debt provision on a group basis	127,744	100.00	1,683	1.32	126,061
Including:					
Bank acceptance bills	119,187	93.30	1,570	1.32	117,617
Commercial acceptance bills	8,557	6.70	113	1.32	8,444
<b>Total</b>	127,744	100.00	1,683	1.32	126,061



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 2. Bill Receivables (continued)

##### (4) Bill receivables by classification of bad debt provision (continued)

Bad debt provision made, recovered or reversed during the period

Item	Amount of bad debt provision
Opening balance	1,683
Accrual during the period	—
Recovery or reversal during the period	589
Write-off during the period	—
Carry-forward during the period	—
Others	—
Closing balance	1,094

#### 3. Trade Receivables

Trade receivables are mainly recorded based on the dates of transaction. The age of trade receivables presented based on the recording date is basically the same as the age presented based on the invoice date.

##### (1) Disclosure by age

Age	June 30, 2025 (unaudited)	December 31, 2024
Within 1 year	3,742,934	3,136,274
1 to 2 years	1,333,190	1,907,613
2 to 3 years	1,095,054	795,846
3 to 4 years	556,474	202,679
4 to 5 years	153,732	165,535
Over 5 years	177,285	196,398
<b>Sub-total</b>	<b>7,058,669</b>	6,404,345
Less: Bad debt provision	470,597	443,672
<b>Total</b>	<b>6,588,072</b>	5,960,673

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 3. Trade Receivables (continued)

##### (2) Disclosure by classification of bad debt provision

Type	June 30, 2025 (unaudited)				Carrying amount
	Balance		Bad debt provision		
				Expected credit loss	
	Amount	Proportion (%)	Amount	rate (%)	
Bad debt provision on an individual basis	123,050	1.74	123,050	100.00	—
Bad debt provision on a group basis	6,935,619	98.26	347,547	5.01	6,588,072
Including: Age group	6,935,619	98.26	347,547	5.01	6,588,072
Total	7,058,669	100.00	470,597	6.67	6,588,072

Continued:

Type	December 31, 2024				Carrying amount
	Balance		Bad debt provision		
				Expected	
	Amount	Proportion (%)	Amount	credit loss rate (%)	
Bad debt provision on an individual basis	123,218	1.92	123,218	100.00	—
Bad debt provision on a group basis	6,281,127	98.08	320,454	5.10	5,960,673
Including: Age group	6,281,127	98.08	320,454	5.10	5,960,673
<b>Total</b>	6,404,345	100.00	443,672	6.93	5,960,673

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 3. Trade Receivables (continued)

##### (2) Disclosure by classification of bad debt provision (continued)

Bad debt provision on an individual basis:

Name	June 30, 2025 (unaudited)			
	Balance	Bad debt provision	Expected credit loss rate (%)	Reason for provision
Customer 1	40,902	40,902	100.00	The Company made provisions for credit losses based on the recoverability of the amount
Customer 2	20,222	20,222	100.00	The Company made provisions for credit losses based on the recoverability of the amount
Customer 3	15,489	15,489	100.00	The Company made provisions for credit losses based on the recoverability of the amount
Customer 4	13,081	13,081	100.00	The Company made provisions for credit losses based on the recoverability of the amount
Customer 5	12,472	12,472	100.00	The Company made provisions for credit losses based on the recoverability of the amount
Customer 6	11,412	11,412	100.00	The Company made provisions for credit losses based on the recoverability of the amount
Others	9,472	9,472	100.00	The Company made provisions for credit losses based on the recoverability of the amount
<b>Total</b>	<b>123,050</b>	<b>123,050</b>	<b>100.00</b>	

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 3. Trade Receivables (continued)

##### (2) Disclosure by classification of bad debt provision (continued)

Continued:

Name	December 31, 2024			Reason for provision
	Balance	Bad debt provision	Expected credit loss rate (%)	
Customer 1	40,902	40,902	100.00	The Company made provisions for credit losses based on the recoverability of the amount
Customer 2	20,748	20,748	100.00	The Company made provisions for credit losses based on the recoverability of the amount
Customer 3	15,489	15,489	100.00	The Company made provisions for credit losses based on the recoverability of the amount
Customer 4	13,081	13,081	100.00	The Company made provisions for credit losses based on the recoverability of the amount
Customer 5	12,472	12,472	100.00	The Company made provisions for credit losses based on the recoverability of the amount
Customer 6	11,412	11,412	100.00	The Company made provisions for credit losses based on the recoverability of the amount
Others	9,114	9,114	100.00	The Company made provisions for credit losses based on the recoverability of the amount
<b>Total</b>	<b>123,218</b>	<b>123,218</b>	<b>100.00</b>	

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 3. Trade Receivables (continued)

##### (2) Disclosure by classification of bad debt provision (continued)

Bad debt provision on a group basis:

Group item: Age group

	June 30, 2025 (unaudited)			December 31, 2024		
	Balance	Bad debt provision	Expected credit loss rate (%)	Balance	Bad debt provision	Expected credit loss rate (%)
Within 1 year	3,742,934	51,278	1.37	3,120,750	41,115	1.32
1 to 2 years	1,317,310	43,735	3.32	1,907,613	66,969	3.51
2 to 3 years	1,095,054	72,164	6.59	794,522	58,019	7.30
3 to 4 years	555,149	72,225	13.01	202,505	27,396	13.53
4 to 5 years	153,558	36,531	23.79	165,535	36,753	22.20
Over 5 years	71,614	71,614	100.00	90,202	90,202	100.00
<b>Total</b>	<b>6,935,619</b>	<b>347,547</b>	<b>5.01</b>	<b>6,281,127</b>	<b>320,454</b>	<b>5.10</b>

Bad debt provision made, recovered or reversed during the period

Item	Amount of bad debt provision
Opening balance	443,672
Accrual during the period	26,925
Recovery or reversal during the period	—
Write-off during the period	—
Carry-forward during the period	—
Others	—
<b>Closing balance</b>	<b>470,597</b>

(3) There were no trade receivables actually written off during the period.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 3. Trade Receivables (continued)

(4) Top five debtors of trade receivables in terms of closing balance

Name of entity	As a percentage of the total balance of trade receivables at the end of the period %		Balance of bad debt provision as at the end of the period
	Balance of trade receivables at the end of the period		
Customer 7	286,516	4.06	3,931
Customer 8	254,312	3.60	5,206
Customer 9	242,134	3.43	4,553
Customer 10	158,757	2.25	4,164
Customer 11	146,091	2.07	3,517
<b>Total</b>	<b>1,087,810</b>	<b>15.41</b>	<b>21,371</b>

#### 4. Receivables Financing

Item	June 30, 2025 (unaudited)	December 31, 2024
Bill receivables	74,686	69,252
Trade receivables	—	—
Sub-total	74,686	69,252
Less: Other comprehensive income — fair value changes	—	—
<b>Fair value at the end of the period</b>	<b>74,686</b>	69,252

Explanations:

The Company and its certain subsidiaries discount and endorse part of their bank acceptance bills according to their daily capital management needs. Therefore, such bank acceptance bills were classified as financial assets measured at fair value through other comprehensive income.

At the end of the period, the Company believes that its bank acceptance bills are not exposed to significant credit risk, and will not cause significant losses due to bank default.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 4. Receivables Financing (continued)

*Bill receivables which have been endorsed or discounted by the Company but have not matured at the end of the period*

Type	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills	248,221	—
Commercial acceptance bills	—	—
<b>Total</b>	<b>248,221</b>	<b>—</b>

As the bank acceptance bills which have been discounted were honored by banks with higher credit ratings, the credit risk and deferred payment risk were very small, and the interest rate risk related to the bills had been transferred to the banks. It was determined that the major risks and rewards of the ownership of the bills had been transferred, so these bills were derecognized.

#### 5. Prepayments

(1) *Disclosure of prepayments by age*

Age	June 30, 2025 (unaudited)		December 31, 2024	
	Amount	Proportion %	Amount	Proportion %
Within 1 year	419,455	82.05	474,557	91.67
1 to 2 years	69,990	13.69	34,378	6.64
2 to 3 years	14,844	2.90	6,243	1.21
Over 3 years	6,971	1.36	2,491	0.48
<b>Total</b>	<b>511,260</b>	<b>100.00</b>	<b>517,669</b>	<b>100.00</b>



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 5. Prepayments (continued)

##### (2) Significant prepayments aged over 1 year

Name of debtor	Balance	As a percentage of total prepayments	Bad debt provision	Reason for unsettlement
		(%)		
Company 1	4,832	0.95		The settlement node has not yet arrived
Company 2	4,239	0.83		The settlement node has not yet arrived
Company 3	4,070	0.80		The settlement node has not yet arrived
Company 4	3,460	0.68		The settlement node has not yet arrived
Company 5	3,420	0.67		The settlement node has not yet arrived
<b>Total</b>	<b>20,021</b>	<b>3.93</b>		

##### (3) Top five entities in terms of the closing balance of prepayments

Name of entity	June 30, 2025 (unaudited)	As a percentage of the balance of prepayments at the end of the period%
Company 6	<b>86,361</b>	16.89
Company 7	<b>56,509</b>	11.05
Company 8	<b>34,043</b>	6.66
Company 9	<b>23,951</b>	4.68
Company 10	<b>19,661</b>	3.85
<b>Total</b>	<b>220,525</b>	<b>43.13</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 6. Other Receivables

Item	June 30, 2025 (unaudited)	December 31, 2024
Interest receivables	—	—
Dividend receivables	1,523	1,523
Other receivables	743,971	749,891
<b>Total</b>	<b>745,494</b>	<b>751,414</b>

##### (1) Dividend receivables

Item	June 30, 2025 (unaudited)	December 31, 2024
Shanxi Jiantou Cloud Data Technology Co., Ltd.	1,348	1,348
Shanxi Jiantou Decoration Industry Co., Ltd.	102	102
Taiyuan Xie'an Property Service Co., Ltd.	73	73
Sub-total	1,523	1,523
Less: Bad debt provision	—	—
<b>Total</b>	<b>1,523</b>	<b>1,523</b>

##### (2) Other receivables

###### ① Disclosure by age

Age	June 30, 2025 (unaudited)	December 31, 2024
Within 1 year	407,109	161,730
1 to 2 years	143,650	200,770
2 to 3 years	93,968	364,874
3 to 4 years	82,072	12,182
4 to 5 years	9,311	9,237
Over 5 years	57,652	53,280
<b>Sub-total</b>	<b>793,762</b>	<b>802,073</b>
Less: Bad debt provision	49,791	52,182
<b>Total</b>	<b>743,971</b>	<b>749,891</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 6. Other Receivables (continued)

##### (2) Other receivables (continued)

##### ② Disclosure by nature of amount

Item	June 30, 2025 (unaudited)			December 31, 2024		
	Balance	Bad debt provision	Carrying amount	Balance	Bad debt provision	Carrying amount
Reserve funds, deposits and security deposits	79,908	1,031	78,877	90,575	1,355	89,220
Amounts due from associates	15,095	273	14,822	7,986	696	7,290
Amounts due from related parties	525,597	13,473	512,124	520,432	15,874	504,558
Payment and collection clearance amounts	1,503	28	1,475	16,038	271	15,767
Other debts	171,659	34,986	136,673	167,042	33,986	133,056
<b>Total</b>	<b>793,762</b>	<b>49,791</b>	<b>743,971</b>	<b>802,073</b>	<b>52,182</b>	<b>749,891</b>

##### ③ Bad debt provision

Bad debt provision in stage I at the end of the period:

Type	Balance	Expected credit loss rate over the next 12 months (%)	Bad debt provision	Carrying amount
Bad debt provision on an individual basis	—	—	—	—
Bad debt provision on a group basis	407,109	1.29	5,252	401,857
— Group of reserve funds, deposits and security deposits receivables	16,453	1.29	213	16,240
— Age group	390,656	1.29	5,039	385,617
<b>Total</b>	<b>407,109</b>	<b>1.29</b>	<b>5,252</b>	<b>401,857</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 6. Other Receivables (continued)

##### (2) Other receivables (continued)

##### ③ Bad debt provision (continued)

Bad debt provision in stage II at the end of the period:

Type	Balance	Expected credit loss rate over the entire life (%)	Bad debt provision	Carrying amount
Bad debt provision on an individual basis	—	—	—	—
Bad debt provision on a group basis	338,098	4.73	15,984	322,114
— Group of reserve funds, deposits and security deposits receivables	63,455	1.29	818	62,637
— Age group	274,643	5.52	15,166	259,477
<b>Total</b>	<b>338,098</b>	<b>4.73</b>	<b>15,984</b>	<b>322,114</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 6. Other Receivables (continued)

##### (2) Other receivables (continued)

##### ③ Bad debt provision (continued)

Bad debt provision in stage III at the end of the period:

Type	Balance	Expected credit loss rate over the entire life (%)	Bad debt provision	Carrying amount	Reason
Bad debt provision on an individual basis	48,555	58.81	28,555	20,000	
Entity 1	35,500	43.66	15,500	20,000	Provisions for credit losses were made based on the recoverability of the amount
Entity 2	3,478	100.00	3,478	—	Provisions for credit losses were made based on the recoverability of the amount
Entity 3	2,995	100.00	2,995	—	Provisions for credit losses were made based on the recoverability of the amount
Entity 4	1,409	100.00	1,409	—	Provisions for credit losses were made based on the recoverability of the amount
Entity 5	1,200	100.00	1,200	—	Provisions for credit losses were made based on the recoverability of the amount
Entity 6	1,070	100.00	1,070	—	Provisions for credit losses were made based on the recoverability of the amount
Entity 7	1,000	100.00	1,000	—	Provisions for credit losses were made based on the recoverability of the amount
Others	1,903	100.00	1,903	—	Provisions for credit losses were made based on the recoverability of the amount
<b>Total</b>	<b>48,555</b>		<b>28,555</b>	<b>20,000</b>	

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 6. Other Receivables (continued)

##### (2) Other receivables (continued)

##### ③ Bad debt provision (continued)

Bad debt provision in stage I at the end of last year:

Type	Balance	Expected credit loss rate over the next 12 months (%)	Bad debt provision	Carrying amount
Bad debt provision on an individual basis	—	—	—	—
Bad debt provision on a group basis	161,730	0.70	1,133	160,597
— Group of reserve funds, deposits and security deposits	29,494	—	—	29,494
— Age group	132,236	0.86	1,133	131,103
<b>Total</b>	<b>161,730</b>	<b>0.70</b>	<b>1,133</b>	<b>160,597</b>

Bad debt provision in stage II at the end of last year:

Type	Balance	Expected credit loss rate over the entire life (%)	Bad debt provision	Carrying amount
Bad debt provision on an individual basis	—	—	—	—
Bad debt provision on a group basis	589,788	3.47	20,494	569,294
— Group of reserve funds, deposits and security deposits	61,081	2.22	1,355	59,726
— Age group	528,707	3.62	19,139	509,568
<b>Total</b>	<b>589,788</b>	<b>3.47</b>	<b>20,494</b>	<b>569,294</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 6. Other Receivables (continued)

##### (2) Other receivables (continued)

##### ③ Bad debt provision (continued)

Bad debt provision in stage III at the end of last year:

Type	Balance	Expected credit loss rate over the entire life (%)	Bad debt provision	Carrying amount
Bad debt provision on an individual basis	50,555	60.44	30,555	20,000
Entity 1	36,000	44.44	16,000	20,000
Entity 2	3,478	100.00	3,478	—
Entity 3	2,995	100.00	2,995	—
Entity 4	1,409	100.00	1,409	—
Entity 8	1,500	100.00	1,500	—
Entity 5	1,200	100.00	1,200	—
Entity 6	1,070	100.00	1,070	—
Entity 7	1,000	100.00	1,000	—
Others	1,903	100.00	1,903	—
<b>Total</b>	<b>50,555</b>		<b>30,555</b>	<b>20,000</b>



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 6. Other Receivables (continued)

##### (2) Other receivables (continued)

④ Bad debt provision made, recovered or reversed during the period

Bad debt provision	Stage I 12-month expected credit losses	Stage II Lifetime expected credit losses (not credit- impaired)	Stage III Lifetime expected credit losses (credit- impaired)	Total
Opening balance	1,133	20,494	30,555	52,182
Opening balance in the current period	-1,231	1,231	—	—
— Transfer to Stage II	-1,231	1,231	—	—
— Transfer to Stage III	—	—	—	—
— Reverse to Stage II	—	—	—	—
— Reverse to Stage I	—	—	—	—
Accrual during the period	5,350	—	—	5,350
Reversal during the period	—	5,741	2,000	7,741
Carry-forward during the period	—	—	—	—
Write-off during the period	—	—	—	—
Other changes	—	—	—	—
Closing balance	5,252	15,984	28,555	49,791

⑤ The Company did not have other receivables actually written off during the period.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 6. Other Receivables (continued)

##### (2) Other receivables (continued)

⑥ Top five debtors of other receivables in terms of closing balance

Name of entity	Nature of amount	Closing balance of other receivables	Age	As a percentage of the total balance of other receivables at the end of the period (%)	Closing balance of bad debt provision
Entity 9	Amounts due from related parties	528,057	Within 1 year, 1 to 2 years, 2 to 3 years, 3 to 4 years	66.53	11,265
Entity 10	Current accounts	52,938	1 to 2 years	6.67	1,059
Entity 1	Land security deposits	35,500	Over 5 years	4.47	15,500
Entity 11	Performance security deposits	10,000	3 to 4 years	1.26	129
Entity 12	Other amounts due	6,264	Within 1 year	0.79	81
<b>Total</b>		<b>632,759</b>		<b>79.72</b>	<b>28,034</b>

#### 7. Inventories

##### (1) Classification of inventories

Item	June 30, 2025 (unaudited)			December 31, 2024		
	Balance	Impairment provision	Carrying amount	Balance	Impairment provision	Carrying amount
Raw materials	419,974	—	419,974	256,003	—	256,003
Stock goods	30,790	—	30,790	24,548	—	24,548
Costs of contract performance	11,849	—	11,849	17,562	—	17,562
<b>Total</b>	<b>462,613</b>	<b>—</b>	<b>462,613</b>	<b>298,113</b>	<b>—</b>	<b>298,113</b>

Explanation: Costs of contract performance refer to the maintenance cost incurred by Shan'an Bluesky in non-heat supply period, which are amortized during the heat supply period.

(2) No impairment provision of inventories was made as no such impairment provision of inventories was incurred for the Company in the period.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 8. Contract Assets

Item	June 30, 2025 (unaudited)			December 31, 2024		
	Balance	Impairment provision	Carrying amount	Balance	Impairment provision	Carrying amount
Contract assets arising from construction contracts	7,491,591	102,635	7,388,956	6,857,195	90,271	6,766,924
— Contract assets on service concession projects	629,752	8,628	621,124	510,561	6,726	503,835
— Contract assets on EPC projects	6,861,839	94,007	6,767,832	6,346,634	83,545	6,263,089
Quality security deposit receivables	910,057	12,468	897,589	894,007	11,778	882,229
Receivables under service concession arrangements	3,517,825	48,194	3,469,631	3,402,219	44,824	3,357,395
<b>Sub-total</b>	<b>11,919,473</b>	<b>163,297</b>	<b>11,756,176</b>	<b>11,153,421</b>	<b>146,873</b>	<b>11,006,548</b>
Less: Contract assets shown in other non-current assets	4,962,001	67,980	4,894,021	4,641,788	61,084	4,580,704
<b>Total</b>	<b>6,957,472</b>	<b>95,317</b>	<b>6,862,155</b>	<b>6,511,633</b>	<b>85,789</b>	<b>6,425,844</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 8. Contract Assets (continued)

##### (1) Significant changes in carrying amounts of contract assets in the period

Project name	Change in amount	Reason for change
Phase 1.2 comprehensive energy project of 10,000-tonne lithium extraction from salt lake in Jietse Chaka, Ngari, Tibet	338,631	Increase in completed but unsettled projects in this period
SPIC Wuling Power Xia County 100MW wind power project EPC general contracting — construction and installation engineering	132,567	Increase in completed but unsettled projects in this period
80MW photovoltaic project in Algeria	123,657	Increase in completed but unsettled projects in this period
Huaneng Wanrong Bochang Phase I 100MW photovoltaic composite power generation project construction and installation engineering	116,835	Increase in completed but unsettled projects in this period
Centralized photovoltaic power generation project of Heyuan Nongkang Tea Oil and Fruit Development Co., Ltd.	90,657	Increase in completed but unsettled projects in this period
350MW low calorific value coal power generation EPC general contracting project in Hequ	79,112	Increase in completed but unsettled projects in this period
200MW wind power project EPC general contracting project of Three Gorges Energy Heilongjiang Zhaodong Dechang — construction and installation engineering	72,765	Increase in completed but unsettled projects in this period
200MW wind-storage integrated project in Tonghe, Heilongjiang Province	65,214	Increase in completed but unsettled projects in this period
General contracting for mechanical, electrical and decoration construction of No. 25 commercial complex on Miaoqian Street, Taiyuan City	59,333	Increase in completed but unsettled projects in this period
Section 2 of wind, water, electricity installation and decoration general contracting project of Hefei Xinqiao Airport S1 Line	41,968	Increase in completed but unsettled projects in this period

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 8. Contract Assets (continued)

##### (1) Significant changes in carrying amounts of contract assets in the period (continued)

Project name	Change in amount	Reason for change
Dujiagou Gangue dump standardized disposal and ecological restoration project of Jinneng Holding Coal Group Madaotou Coal Industry Co., Ltd.	40,000	Increase in completed but unsettled projects in this period
100MW wind power project EPC general contracting in Ji County	31,281	Increase in completed but unsettled projects in this period
Copper concentrate comprehensive recovery project of Houma Beitong Copper Industry Co., Ltd. with an annual processing capacity of 1.5 million tonnes (optimized and changed to 800,000 tonnes)	26,614	Increase in completed but unsettled projects in this period
Holsinghe low-concentration gas distributed power generation project phase I EPC project of Shanxi Coking Coal Group New Energy Co., Ltd.	25,800	Increase in completed but unsettled projects in this period
Section 2 of Third Water Plant Phase II Project in Qinshui County	25,675	Increase in completed but unsettled projects in this period
<b>Total</b>	<b>1,270,109</b>	

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 8. Contract Assets (continued)

##### (2) Impairment provision of contract assets

Type	June 30, 2025 (unaudited)				Carrying amount
	Balance		Impairment provision		
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)	
Bad debt provision on an individual basis					
Bad debt provision on a group basis					
— Group of contract assets on service concession projects	629,752	5.28	8,628	1.37	621,124
— Group of contract assets on EPC projects	6,861,839	57.57	94,007	1.37	6,767,832
— Group of retention receivables	910,058	7.64	12,468	1.37	897,590
— Receivables under service concession arrangements	3,517,825	29.51	48,194	1.37	3,469,631
Total	11,919,474	100.00	163,297	1.37	11,756,177

Continued:

Type	December 31, 2024				
	Balance		Impairment provision		Carrying amount
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)	
Bad debt provision on an individual basis					
Bad debt provision on a group basis					
— Group of contract assets on service concession projects	510,561	4.58	6,727	1.32	503,834
— Group of contract assets on EPC projects	6,346,634	56.90	83,545	1.32	6,263,089
— Group of retention receivables	894,007	8.02	11,777	1.32	882,230
— Receivables under service concession arrangements	3,402,219	30.50	44,824	1.32	3,357,395
<b>Total</b>	<b>11,153,421</b>	<b>100.00</b>	<b>146,873</b>	<b>1.32</b>	<b>11,006,548</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 8. Contract Assets (continued)

(3) Impairment provision of contract assets made, recovered or reversed during the period

Item	Opening balance	Accrual during the period	Reversal during the period	Carry-forward/write-off during the period	Closing balance	Reason
Group of contract assets on service concession projects under construction contracts	6,727	1,901			8,628	Provision was made based on risk group
Group of contract assets on EPC projects under construction contracts	83,545	10,462			94,007	Provision was made based on risk group
Group of warranty deposits receivable under construction contracts	11,777	691			12,468	Provision was made based on risk group
Receivables under service concession arrangements	44,824	3,370			48,194	Provision was made based on risk group
<b>Total</b>	146,873	16,424			163,297	

#### 9. Other Current Assets

Item	June 30, 2025 (unaudited)	December 31, 2024
Credit tax available for deduction	286,987	413,503
Credit tax pending verification	—	62
<b>Total</b>	<b>286,987</b>	<b>413,565</b>



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 10. Long-term Equity Investments

Investee	Balance as at December 31, 2024	Additional/ new investment	Decreased investment	Investment gains and losses recognized under equity method	Increase or decrease in the period					Balance as at June 30, 2025 (unaudited)	Closing balance of impairment provision
					Adjustment to other comprehensive income	Change in other equity	Cash dividend or profit declared	Impairment provision	Others		
① Joint ventures											
② Associates											
Shanxi Transformation Comprehensive Reform Demonstration Zone Shan'an Xiaohu Construction Industry Co., Ltd.	14,019	—	—	-773						13,246	—
Changzhi Caihui Shan'an Energy Technology Co., Ltd.	233	—	1,050	-1,283						—	—
Shanxi Jianfa Comprehensive Energy Development Co., Ltd.	18,999	—	—	758						19,757	—
Shanxi Construction Investment International Investment Co., Ltd.	29,626	—	—	-1,798						27,828	—
Shanxi Yu'an Hengchuang Construction Engineering Co., Ltd.	9,724	—	—	2						9,726	—
Shanxi Jiantou Cloud Data Technology Co., Ltd.	8,818	—	—	1,214						10,032	—
Shanxi Jiantou Linfen Construction Industry Co., Ltd.	14,854	7,000	—	-29						21,825	—
Shanxi Jinjian Shan'an Equity Investment Partnership (Limited Partnership)	89,056	—	—	-1						89,055	—
Taiyuan Xie'an Property Service Co., Ltd.	1,602	—	—	6						1,608	—
Zhangzi Jinjian Flood Control and Drainage Project Management Co., Ltd.	8,314	—	—	2						8,316	—
Linfen Shan'an Lida Construction Solid Waste Comprehensive Utilization Co., Ltd.	—	13,000	—	-86						12,914	—
Shanxi Hangchan Energy Co., Ltd.	15,000	37,500	—	-28						52,472	—
Sub-total	210,245	57,500	1,050	-2,016						266,779	—
<b>Total</b>	<b>210,245</b>	<b>57,500</b>	<b>1,050</b>	<b>-2,016</b>						<b>266,779</b>	<b>—</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 11. Investments in Other Equity Instruments

Item	June 30, 2025 (unaudited)	December 31, 2024
Shanxi Shuitou Biyuan Water Treatment Co., Ltd.	1,136	1,044
Shanxi Jiantou Decoration Industry Co., Ltd.	6,733	6,959
Shanxi Jiantou Construction Industry Co., Ltd.	53,929	52,979
Shanxi Jiantou South East Jin Construction Industry Co., Ltd.	87,608	86,850
<b>Total</b>	<b>149,406</b>	147,832

The above unlisted equity investments are designated as financial assets measured at FVOCI (non-revolving) as these investments are held for long-term strategic purposes. Please refer to Note 9 for the details of changes in fair value.

Item	Dividend income recognized for the period	Accumulated gains	Accumulated losses	Amount transferred from other comprehensive income to retained earnings	Reason for transfer
Shanxi Shuitou Biyuan Water Treatment Co., Ltd.	—	360	—	—	—
Shanxi Jiantou Decoration Industry Co., Ltd.	—	959	—	—	—
Shanxi Jiantou South East Jin Construction Industry Co., Ltd.	—	17,919	—	—	—
Shanxi Jiantou Construction Industry Co., Ltd.	—	6,945	—	—	—

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 12. Investment Properties

##### (1) Investment properties measured at fair value

Item	Houses and buildings	Land use rights	Total
I. Opening balance	187,722	—	187,722
II. Increase in the period	—	—	—
(1) Additions	—	—	—
(2) Transfer from fixed assets	—	—	—
III. Decrease in the period	—	—	—
IV. Change in fair value	1,025	—	1,025
V. Closing balance	188,747	—	188,747

The Company's investment properties consist of three commercial properties located in Taiyuan, Datong and Jinzhong, Shanxi in Mainland China. As at June 30, 2025, the fair values of the investment properties of the Company were assessed by an independent professional qualified valuer.

As at June 30, 2025, the Company had no investment properties that were pledged to secure the bank borrowings and other borrowings of the Company.

##### (2) Investment properties pending certificates of ownership Nil.

#### 13. Fixed Assets

Item	June 30, 2025 (unaudited)	December 31, 2024
Fixed assets	1,045,191	1,077,794
Disposal of fixed assets	—	—
<b>Total</b>	<b>1,045,191</b>	<b>1,077,794</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 13. Fixed Assets (continued)

##### (1) Fixed assets

Item	Contractual energy management	Houses and buildings	Construction machinery	Transportation and production equipment	Office equipment and others	Total
I. Original carrying amount						
1. Opening balance	366,952	728,085	11,630	473,868	71,567	1,652,102
2. Increase in the period	—	969	58	16,288	2,106	19,421
(1) Purchases	—	969	58	1,082	1,456	3,565
(2) Transfer from construction in progress	—	—	—	14,306	—	14,306
(3) Increase in business combinations	—	—	—	900	650	1,550
(4) Other increase	—	—	—	—	—	—
3. Decrease in the period	—	751	386	1,226	1,546	3,909
(1) Disposals or retirement	—	751	386	1,226	1,546	3,909
(2) Other decrease	—	—	—	—	—	—
4. Closing balance	366,952	728,303	11,302	488,930	72,127	1,667,614
II. Accumulated depreciation						
1. Opening balance	311,751	126,867	4,806	78,538	52,346	574,308
2. Increase in the period	22,848	11,322	895	13,281	3,582	51,928
(1) Accrual	22,848	11,322	895	12,673	3,163	50,901
(2) Increase in business combinations	—	—	—	608	419	1,027
(3) Other increase	—	—	—	—	—	—
3. Decrease in the period	—	752	373	1,184	1,504	3,813
(1) Disposals or retirement	—	752	373	1,184	1,504	3,813
(2) Other decrease	—	—	—	—	—	—
4. Closing balance	334,599	137,437	5,328	90,635	54,424	622,423
III. Impairment provision						
1. Opening balance	—	—	—	—	—	—
2. Increase in the period	—	—	—	—	—	—
(1) Accrual	—	—	—	—	—	—
(2) Other increase	—	—	—	—	—	—
3. Decrease in the period	—	—	—	—	—	—
(1) Disposals or retirement	—	—	—	—	—	—
(2) Other decrease	—	—	—	—	—	—
4. Closing balance	—	—	—	—	—	—
IV. Carrying amount						
1. Carrying amount at the end of the period	32,353	590,866	5,974	398,295	17,703	1,045,191
2. Carrying amount at the beginning of the period	55,201	601,218	6,824	395,330	19,221	1,077,794

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 13. Fixed Assets (continued)

##### (2) Pledged or guaranteed fixed assets of the Company in the period

Item	Original carrying amount	Accumulated depreciation	Impairment provision	Carrying amount	Remark
Houses and buildings	254,938	22,354	—	232,584	

##### (3) Fixed assets that are temporarily idle Nil.

##### (4) Fixed assets leased out through operating leases

Item	Carrying amount
Houses and buildings	10,761
Construction machinery	582
<b>Total</b>	<b>11,343</b>

##### (5) Fixed assets pending certificates of ownership

Item	Carrying amount	Reason for failure
Houses and buildings	237,471	Processing

#### 14. Construction in Progress

Item	June 30, 2025 (unaudited)	December 31, 2024
Construction in progress	221,574	203,907
Engineering materials	—	—
<b>Total</b>	<b>221,574</b>	<b>203,907</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 14. Construction in Progress (continued)

##### (1) Breakdown of construction in progress

Item	June 30, 2025 (unaudited)			December 31, 2024		
	Balance	Impairment provision	Net carrying amount	Balance	Impairment provision	Net carrying amount
160t/h CDQ and waste heat power generation project of Shanxi Jun'an Loudong Energy Technology Co., Ltd.	156,037	—	156,037	156,037	—	156,037
Jinzhong urban construction waste resource utilization concession project Phase I	53,823	—	53,823	47,225	—	47,225
Shan'an Runxing 100MW composite photovoltaic power generation project	10,240	—	10,240	584	—	584
Other miscellaneous projects	1,474	—	1,474	61	—	61
<b>Total</b>	<b>221,574</b>	<b>—</b>	<b>221,574</b>	<b>203,907</b>	<b>—</b>	<b>203,907</b>

##### (2) Changes in significant construction in progress

Project name	Opening balance	Increase in the period	Transfer into fixed assets	Other decrease	Accumulative capitalized interest	Including: Capitalized interest in the period	Interest capitalization ratio in the period %	Closing balance
160t/h CDQ and waste heat power generation project of Shanxi Jun'an Loudong Energy Technology Co., Ltd.	156,037	—	—	—	—	—	—	156,037
Jinzhong urban construction waste resource utilization concession project Phase I	47,225	6,598	—	—	1,304	894	3.90	53,823
Shan'an Runxing 100MW composite photovoltaic power generation project	584	9,656	—	—	582	427	3.98	10,240
Other miscellaneous projects	61	15,719	14,306	—	134	134	5.50	1,474
<b>Total</b>	<b>203,907</b>	<b>31,973</b>	<b>14,306</b>	<b>—</b>	<b>2,020</b>	<b>1,455</b>		<b>221,574</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 14. Construction in Progress (continued)

##### (2) Changes in significant construction in progress (continued)

Project name	Budget	Proportion of total construction investment to budget %	Construction progress %	Source of fund
160t/h CDQ and waste heat power generation project of Shanxi Jun'an Loudong Energy Technology Co., Ltd.	142,860	109.22	100.00	Self-raised and financing
Jinzhong urban construction waste resource utilization concession project Phase I	83,470	64.48	64.48	Self-raised and fundraising
Shan'an Runxing 100MW composite photovoltaic power generation project	529,475	1.93	1.93	Self-raised
Other miscellaneous projects	—	—	—	—
<b>Total</b>	<b>755,805</b>			



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 15. Right-of-use Assets

Item	Land use rights	Houses and buildings	Machinery, transportation and office equipment	Total
<b>I. Original carrying amount</b>				
1. Opening balance	36,093	121,782	37,512	195,387
2. Increase in the period	—	14,905	—	14,905
(1) Lease	—	—	—	—
(2) Adjustment to lease liabilities	—	—	—	—
(3) Other increase	—	14,905	—	14,905
3. Decrease in the period	—	2,528	—	2,528
(1) Transfer of leases to finance leases	—	—	—	—
(2) Transfer or held for sale	—	—	—	—
(3) Other decrease	—	2,528	—	2,528
4. Closing balance	36,093	134,159	37,512	207,764
<b>II. Accumulated depreciation</b>				
1. Opening balance	4,781	29,530	7,957	42,268
2. Increase in the period	1,241	14,805	3,410	19,456
(1) Accrual	1,241	4,644	3,410	9,295
(2) Other increase	—	10,161	—	10,161
3. Decrease in the period	—	1,685	—	1,685
(1) Transfer of leases to finance leases	—	—	—	—
(2) Transfer or held for sale	—	—	—	—
(3) Other decrease	—	1,685	—	1,685
4. Closing balance	6,022	42,650	11,367	60,039
<b>III. Impairment provision</b>				
1. Opening balance	—	—	—	—
2. Increase in the period	—	—	—	—
(1) Accrual	—	—	—	—
(2) Other increase	—	—	—	—
3. Decrease in the period	—	—	—	—
(1) Transfer of leases to finance leases	—	—	—	—
(2) Transfer or held for sale	—	—	—	—
(3) Other decrease	—	—	—	—
4. Closing balance	—	—	—	—
<b>IV. Carrying amount</b>				
1. Carrying amount at the end of the period	30,071	91,509	26,145	147,725
2. Carrying amount at the beginning of the period	31,312	92,252	29,555	153,119

Explanations:

- As at June 30, 2025, the Company had a total of 24 lease agreements for the purpose of, inter alia, two existing centralized heating facilities for a lease term of 15 to 29 years, 7 pieces of land for a lease term of 5 to 20 years, 14 office buildings for a lease term of 2 to 23 years and a set of machinery for a lease term of 5.5 years.
- See Note V.59 for lease expenses recognized by the Company in relation to short-term leases and leases of low-value assets.
- Other increase was due to the inclusion of Changzhi Caihui Shan'an, a former associate, into the scope of consolidation upon acquiring its control from the transfer of equity by an independent third party.
- Other decrease was due to the early termination of leased houses contracts of the Company for the period.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 16. Intangible Assets

Item	Land use rights	Concession right	Patent rights	Software	Data resources	Total
<b>I. Original carrying amount</b>						
1. Opening balance	135,946	55,000	726	3,696	179	195,547
2. Increase in the period	16,716	—	72	100	—	16,888
(1) Purchases	16,716	—	72	—	—	16,788
(2) Internal research and development	—	—	—	—	—	—
(3) Other increase	—	—	—	100	—	100
3. Decrease in the period	—	—	—	—	—	—
(1) Disposals	—	—	—	—	—	—
(2) Invalid and derecognized portion	—	—	—	—	—	—
(3) Other decrease	—	—	—	—	—	—
4. Closing balance	152,662	55,000	798	3,796	179	212,435
<b>II. Accumulated amortization</b>						
1. Opening balance	14,636	2,687	234	3,304	9	20,870
2. Increase in the period	1,638	948	38	85	9	2,718
(1) Accrual	1,638	948	38	41	9	2,674
(2) Other increase	—	—	—	44	—	44
3. Decrease in the period	—	—	—	—	—	—
(1) Disposals	—	—	—	—	—	—
(2) Invalid and derecognized portion	—	—	—	—	—	—
(3) Other decrease	—	—	—	—	—	—
4. Closing balance	16,274	3,635	272	3,389	18	23,588
<b>III. Impairment provision</b>						
1. Opening balance	—	—	—	—	—	—
2. Increase in the period	—	—	—	—	—	—
(1) Accrual	—	—	—	—	—	—
(2) Other increase	—	—	—	—	—	—
3. Decrease in the period	—	—	—	—	—	—
(1) Disposals	—	—	—	—	—	—
(2) Other decrease	—	—	—	—	—	—
4. Closing balance	—	—	—	—	—	—
<b>IV. Carrying amount</b>						
1. Carrying amount at the end of the period	136,388	51,365	526	407	161	188,847
2. Carrying amount at the beginning of the period	121,310	52,313	492	392	170	174,677

Explanations:

- (1) Jinzhong Lide, a subsidiary of the Company, pledged a piece of land use right for borrowings from China Construction Bank.
- (2) Land use rights pending certificates of ownership: Nil.
- (3) Other increase was due to the inclusion of Changzhi Caihui Shan'an, a former associate, into the scope of consolidation upon acquiring its control from the transfer of equity by an independent third party.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 17. Goodwill

Name of investee or matters forming goodwill	December 31, 2024					June 30, 2025
		Increase in the period		Decrease in the period		(Unaudited)
		Arising from business combination		Others	Disposals	Others
Shanxi Ningyang Energy Co., Ltd.	15,000	—	—	—	—	15,000
Total	15,000	—	—	—	—	15,000

On April 3, 2018, the Company acquired 51% equity interest of Shanxi Ningyang Energy Co., Ltd. from two independent third parties, resulting in goodwill of RMB15,000,000.

The Company conducted impairment assessment of goodwill at the end of each year by engaging independent professional valuers to evaluate the recoverable amount of the entire shareholders' equity interest of Shanxi Ningyang, and issued the asset evaluation reports. The income approach is used for valuation. The assessment is based on the estimated cash flow forecast in the next 5 years based on the financial budget approved by the management. The terminal growth rate of the cash flow forecast adopted in the following years is nil for prudence sake. The pre-tax discount rate adopted as at June 30, 2025 was 11.91% (2024: 11.96%). The management prepared the above financial budgets based on past performance and its expectations for market development. The present value of future cash flows reflects the risk relative to the segment concerned.

Based on the results of the impairment assessment of goodwill, the recoverable amounts of RMB248,700,000 (2024: RMB251,429,000) is greater than its carrying amounts of RMB221,074,000 (2024: RMB226,750,000) as at June 30, 2025. Based on the results of the impairment test of goodwill, in the opinion of the management of the Company, no impairment provision is considered necessary for the Company's goodwill as at June 30, 2025 (2024: Nil). Management believes that any reasonably possible changes to the key assumptions applied would not lead to impairment of goodwill as at June 30, 2025.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 17. Goodwill (continued)

The sensitivity analysis as at June 30, 2025 and December 31, 2024 set forth below has been determined based on the exposure to the pre-tax discount rate and five-year period growth rate, representing the key inputs to the determination of the recoverable amounts. The management performed the sensitivity analysis assuming the above-mentioned key assumptions have been changed. Had the estimated key assumptions been changed as below, the headroom would be increased/decreased by:

	June 30, 2025 (unaudited)	December 31, 2024
Five-year period growth rate increased by 2%	23,300	30,370
Five-year period growth rate decreased by 2%	-22,700	-28,487
Pre-tax discount rate decreased by 0.5%	11,100	10,596
Pre-tax discount rate increased by 0.5%	-10,200	-9,757

#### 18. Long-term Deferred Expenses

Item	December 31, 2024	Increase in the period	Decrease in the period Amortization in the period	Other decrease	June 30, 2025 (unaudited)
Prepaid employees housing subsidies	67	—	67	—	—
Expenditure in relation to improvement and maintenance of fixed assets	126	6,204	183	—	6,147
<b>Total</b>	<b>193</b>	<b>6,204</b>	<b>250</b>	<b>—</b>	<b>6,147</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 19. Deferred Income Tax Assets and Deferred Income Tax Liabilities

(1) Deferred income tax assets and deferred income tax liabilities not subject to offset

Item	June 30, 2025 (unaudited)		December 31, 2024	
	Deductible/ taxable temporary differences	Deferred income tax assets/ liabilities	Deductible/ taxable temporary differences	Deferred income tax assets/ liabilities
Deferred income tax assets:				
Provision for asset impairment	684,779	110,912	644,409	104,922
Unrealized profit of internal transaction	93,316	13,997	94,406	14,161
Remeasurement of defined benefit plan	6,852	1,028	6,862	1,029
Lease transactions included in lease liabilities	129,929	35,674	157,180	35,231
<b>Sub-total</b>	<b>914,876</b>	<b>161,611</b>	902,857	155,343
Deferred income tax liabilities:				
Lease transactions included in right-of-use assets	147,266	33,356	151,962	33,902
Changes in fair value of investment properties	25,311	3,797	24,287	3,643
Conversion of self-use properties into investment properties	246,121	11,649	78,894	11,649
Changes in fair value of investment in other equity instruments	27,758	4,164	26,183	3,927
<b>Sub-total</b>	<b>446,456</b>	<b>52,966</b>	281,326	53,121

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 19. Deferred Income Tax Assets and Deferred Income Tax Liabilities (continued)

##### (2) Deferred income tax assets or liabilities presented at net amount after offsetting

Item	Offsetting amount at the end of the period between deferred income tax assets and liabilities	Closing balance of deferred income tax assets or liabilities after offsetting	Offsetting amount at the end of last year between deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offsetting at the end of last year
Deferred income tax assets	18,718	6,113	1,232	24,149
Deferred income tax liabilities	18,718	38,641	1,232	57,441

##### (3) Breakdown of deductible temporary differences and deductible losses on unrecognized deferred income tax assets

Item	June 30, 2025 (unaudited)	December 31, 2024
Deductible temporary differences	—	—
Deductible losses	39,826	15,965
<b>Total</b>	<b>39,826</b>	<b>15,965</b>

##### (4) The deductible losses on unrecognized deferred income tax assets will mature in the following years

Year	June 30, 2025 (unaudited)	December 31, 2024	Remark
2025	—	—	
2026	352	658	
2027	696	1,053	
2028	1,046	1,829	
2029	29,761	12,425	
2030	7,971	—	
<b>Total</b>	<b>39,826</b>	<b>15,965</b>	

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 20. Other Non-current Assets

Item	June 30, 2025 (unaudited)			December 31, 2024		
	Balance	Impairment provision	Carrying amount	Balance	Impairment provision	Carrying amount
Long-term contract assets	4,051,944	55,512	3,996,432	3,747,781	49,305	3,698,476
Security deposits	910,057	12,468	897,589	894,007	11,778	882,229
Payment for prepaid construction and equipment fees	—	—	—	550	—	550
Temporary facilities	1,763	—	1,763	3,497	—	3,497
<b>Total</b>	<b>4,963,764</b>	<b>67,980</b>	<b>4,895,784</b>	<b>4,645,835</b>	<b>61,083</b>	<b>4,584,752</b>

#### 21. Assets Subject to Restrictions of Ownership or Right-of-Use

Item	June 30, 2025 (unaudited)			Condition of restriction
	Balance	Carrying amount	Type of restriction	
Cash	276,041	276,041	Frozen, pledged notes, pledged letter of credit, performance security deposits	Restricted
Receivables	147,383	144,752	Pledged borrowings	Restricted
Contract assets	2,963,619	2,923,018	Pledged borrowings	Restricted
Fixed assets	254,938	232,584	Pledged borrowings	Restricted
Intangible assets	8,205	7,891	Pledged borrowings	Restricted
<b>Total</b>	<b>3,650,186</b>	<b>3,584,286</b>		



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 21. Assets Subject to Restrictions of Ownership or Right-of-Use (continued)

Continued:

Type	December 31, 2024		Type of restriction	Condition of restriction
	Balance	Carrying amount		
Cash	425,995	425,995	Frozen, pledged notes, pledged letter of credit, performance security deposits	Restricted
Receivables	137,967	135,995	Pledged borrowings	Restricted
Contract assets	3,502,349	3,456,206	Pledged borrowings	Restricted
Fixed assets	254,938	236,976	Pledged borrowings	Restricted
Intangible assets	8,205	7,973	Pledged borrowings	Restricted
<b>Total</b>	<b>4,329,454</b>	<b>4,263,145</b>		

#### 22. Short-term Borrowings

Item	June 30, 2025 (unaudited)	December 31, 2024
Pledged borrowings	118,228	310,285
Secured borrowings	—	—
Guaranteed borrowings	—	—
Credit borrowings	1,845,491	2,088,306
Interests payable	1,863	2,055
<b>Total</b>	<b>1,965,582</b>	<b>2,400,646</b>

- (1) The Company's pledged borrowings of RMB118,228,000 with annual interest rate of 4.00% from non-banking financial institutions were secured by trade receivables, for a term from June 23, 2024 to June 22, 2025.
- (2) The Company's credit borrowings of RMB1,845,491,000 with annual interest rates ranging from 1.10% to 3.70% from banks, for a term from July 31, 2024 to June 25, 2026.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 23. Notes Payables

Type	June 30, 2025 (unaudited)	December 31, 2024
Commercial promissory notes	839,500	650,000
Bank promissory notes	1,606,608	1,238,383
<b>Total</b>	<b>2,446,108</b>	<b>1,888,383</b>

#### 24. Trade Payables

(1) Disclosure by nature of amount

Item	June 30, 2025 (unaudited)	December 31, 2024
Payment for materials	5,852,886	5,849,335
Payment for construction	1,316,492	1,274,669
Payment for equipment	62,274	58,763
Service fees	83,057	95,745
Labor service fees	2,272,221	1,721,699
Lease payments	544,097	492,212
<b>Total</b>	<b>10,131,027</b>	<b>9,492,423</b>

(2) The aging analysis presented based on the recording date is as follows:

Item	June 30, 2025 (unaudited)	December 31, 2024
Within 1 year	4,961,438	6,451,451
1 to 2 years	2,993,790	1,716,576
2 to 3 years	1,146,104	675,729
Over 3 years	1,029,695	648,667
<b>Total</b>	<b>10,131,027</b>	<b>9,492,423</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 24. Trade Payables (continued)

- (2) The aging analysis presented based on the recording date is as follows: (continued)  
Including: significant trade payables aged over 1 year

Item	Closing balance	Reasons for non-repayment or non-carry-forward
Company 11	278,732	Payment conditions not satisfied yet
Company 12	215,066	Payment conditions not satisfied yet
Company 13	171,503	Payment conditions not satisfied yet
Company 14	134,298	Payment conditions not satisfied yet
Company 15	134,165	Payment conditions not satisfied yet
Company 16	97,437	Payment conditions not satisfied yet
Company 17	96,562	Payment conditions not satisfied yet
Company 18	89,631	Payment conditions not satisfied yet
Company 19	80,330	Payment conditions not satisfied yet
Company 20	66,784	Payment conditions not satisfied yet
Company 21	62,832	Payment conditions not satisfied yet
Company 22	53,027	Payment conditions not satisfied yet
Company 23	52,443	Payment conditions not satisfied yet
Company 24	47,189	Payment conditions not satisfied yet
Company 25	44,169	Payment conditions not satisfied yet
Company 26	39,485	Payment conditions not satisfied yet
Company 27	32,431	Payment conditions not satisfied yet
Company 28	29,283	Payment conditions not satisfied yet
Company 29	26,956	Payment conditions not satisfied yet
Company 30	26,244	Payment conditions not satisfied yet
Company 31	26,175	Payment conditions not satisfied yet
Company 32	25,605	Payment conditions not satisfied yet
Company 33	25,383	Payment conditions not satisfied yet
Company 34	24,206	Payment conditions not satisfied yet
Company 35	23,097	Payment conditions not satisfied yet
Company 36	21,183	Payment conditions not satisfied yet
Company 37	20,358	Payment conditions not satisfied yet
<b>Total</b>	<b>1,944,574</b>	

#### 25. Contract Liabilities

Item	June 30, 2025 (unaudited)	December 31, 2024
Within one year	1,122,297	1,131,973
Over one year	305,407	225,058
<b>Total</b>	<b>1,427,704</b>	<b>1,357,031</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 26. Employee Remuneration Payables

Item	December 31, 2024	Increase in the period	Decrease in the period	June 30, 2025 (unaudited)
Short-term remuneration	78,536	282,167	293,596	67,107
Post-employment benefits — defined contribution plan	319	41,693	41,564	448
Termination benefits	3,220	1,790	1,790	3,220
Post-employment benefits due within one year — liabilities in defined benefit plan	3,020	1,790	1,790	3,020
Termination benefits due within one year — liabilities in defined benefit plan	200	—	—	200
<b>Total</b>	<b>82,075</b>	<b>325,650</b>	<b>336,950</b>	<b>70,775</b>

##### (1) Short-term remuneration

Item	December 31, 2024	Increase in the period	Decrease in the period	June 30, 2025 (unaudited)
Salaries, bonuses, allowances and subsidies	66,867	227,912	234,261	60,518
Employee welfare	181	11,238	11,259	160
Social insurance	287	19,957	19,952	292
Including: 1. Medical insurance	268	16,810	16,826	252
2. Work-related injury insurance	19	3,147	3,126	40
Housing provident fund	3,818	15,240	15,206	3,852
Union fund and employee education fund	7,383	7,820	12,918	2,285
<b>Total</b>	<b>78,536</b>	<b>282,167</b>	<b>293,596</b>	<b>67,107</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 26. Employee Remuneration Payables (continued)

##### (2) Defined contribution plan

Item	December 31, 2024	Increase in the period	Decrease in the period	June 30, 2025 (unaudited)
Post-employment benefits	319	41,693	41,564	448
Including: Basic pension insurance	290	40,297	40,174	413
Unemployment insurance	29	1,396	1,390	35
Enterprise annuity payment	—	—	—	—
<b>Total</b>	<b>319</b>	<b>41,693</b>	<b>41,564</b>	<b>448</b>

##### (3) Termination benefits

Item	December 31, 2024	Increase in the period	Decrease in the period	June 30, 2025 (unaudited)
1. Compensation paid for termination of employment	200	90	90	200
2. Budgeted expenses for internal retirement	3,020	1,700	1,700	3,020
<b>Total</b>	<b>3,220</b>	<b>1,790</b>	<b>1,790</b>	<b>3,220</b>

#### 27. Tax Payables

Tax	June 30, 2025 (unaudited)	December 31, 2024
Corporate income tax	15,347	26,497
Value-added tax	16,432	11,532
Individual income tax	13,325	12,490
City maintenance and construction tax	2,125	2,293
Educational surcharge	1,193	1,192
Local educational surcharge	17	97
Stamp duty	10	22
Other taxes	3,218	3,431
<b>Total</b>	<b>51,667</b>	<b>57,554</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 28. Other Payables

Item	June 30, 2025 (unaudited)	December 31, 2024
Interest payables	—	—
Dividend payables	71,678	71,678
Other payables	451,314	511,716
<b>Total</b>	<b>522,992</b>	<b>583,394</b>

#### (1) Dividend payables

Item	June 30, 2025 (unaudited)	December 31, 2024
Shanxi Construction Investment Group Co., Ltd.	70,244	70,244
Shanghai Rongda Investment Management Co., Ltd.	1,434	1,434
<b>Total</b>	<b>71,678</b>	<b>71,678</b>

Significant dividend payables past due over 1 year:

Name of shareholder	Dividend payables	Reason for non-payment
Shanxi Construction Investment Group Co., Ltd.	70,244	Unpaid yet
Shanghai Rongda Investment Management Co., Ltd.	1,434	Unpaid yet
<b>Total</b>	<b>71,678</b>	

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 28. Other Payables (continued)

##### (2) Other payables

Item	June 30, 2025 (unaudited)	December 31, 2024
Security deposits received	35,377	31,094
Amounts due to related parties	177,880	169,346
Amounts due to employees	93,004	106,697
Withholding and payment of social insurance and tax on behalf of individuals	5,214	4,018
Other payables	139,839	200,561
<b>Total</b>	<b>451,314</b>	<b>511,716</b>

Including: significant other payables aged over 1 year

Item	Closing balance	Reasons for non-repayment or non-carry-forward
Entity 9	158,776	Payment conditions not satisfied yet
Entity 14	24,223	Payment conditions not satisfied yet
Entity 15	7,963	Payment conditions not satisfied yet
Entity 16	6,255	Payment conditions not satisfied yet
Entity 17	6,240	Payment conditions not satisfied yet
<b>Total</b>	<b>203,457</b>	

#### 29. Non-current Liabilities Due within One Year

Item	June 30, 2025 (unaudited)	December 31, 2024
Long-term borrowings due within one year	740,886	747,368
Long-term payables due within one year	—	—
Lease liabilities due within one year	19,164	20,505
<b>Total</b>	<b>760,050</b>	<b>767,873</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 29. Non-current Liabilities Due within One Year (continued)

*Long-term borrowings due within one year*

Item	June 30, 2025 (unaudited)	December 31, 2024
Pledged borrowings	474,667	510,538
Secured borrowings	14,080	22,528
Guaranteed borrowings	42,125	3,500
Credit borrowings	201,900	201,600
Accrued but unpaid interest expenses	8,114	9,202
<b>Total</b>	<b>740,886</b>	<b>747,368</b>

#### 30. Other Current Liabilities

Item	June 30, 2025 (unaudited)	December 31, 2024
Output tax to be transferred	450,983	751,962
Endorsed bill payables	47,064	120,629
<b>Total</b>	<b>498,047</b>	<b>872,591</b>



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 31. Long-term Borrowings

Item	June 30, 2025 (unaudited)	Interest rate range	December 31, 2024	Interest rate range
Pledged borrowings	2,711,688	3.35-8.89	3,214,786	3.35-10.00
Secured borrowings	160,912	4.10	172,176	4.10
Guaranteed borrowings	598,965	3.40-4.19	3,500	3.45
Credit borrowings	837,413	3.20-4.70	318,613	3.20-4.65
Accrued but unpaid interest expenses	8,114	—	9,202	—
<b>Sub-total</b>	<b>4,317,092</b>	<b>—</b>	<b>3,718,277</b>	<b>—</b>
Including: Borrowings from non-banking financial institutions	470,018	4.70-8.89	514,195	4.70-10.00
Less: Long-term borrowings due within one year	740,886	—	747,368	—
<b>Total</b>	<b>3,576,206</b>	<b>—</b>	<b>2,970,909</b>	<b>—</b>

- (1) The Company's pledged borrowings of RMB362,767,000 with annual interest rates ranging from 3.60 to 5.78% from non-banking financial institutions were secured by trade receivables, for a term from August 30, 2023 to August 29, 2043.
- (2) The Company's pledged borrowings of RMB1,889,514,000 with annual interest rates ranging from 3.90 to 5.19% from banks were secured by contract assets under service concession arrangements of Gaoping Shan'an, Liulin Shan'an, Linfen Shan'an, Huguan Shan'an, Xinjiang Shan'an and Xiyang Shan'an, for a term from October 30, 2018 to September 23, 2044.
- (3) The Company's pledged borrowings of RMB359,347,000 with annual interest rates ranging from 4.70 to 8.89% from banks and non-banking financial institutions were secured by certain device components controlled by customers, for a term from December 8, 2022 to May 22, 2028.
- (4) The pledged borrowings of Maode Power, a subsidiary of the Company, of RMB24,863,000 with annual interest rates ranging from 3.35 to 3.95% from banks were secured by the rights to electricity fee income, for a term from October 27, 2022 to March 19, 2034.
- (5) The secured borrowings of Shan'an Lide, a subsidiary of the Company, of RMB160,912,000 with an annual interest rate of 4.10% from banks were secured by houses and buildings, for a term from January 2, 2024 to January 2, 2030.
- (6) The pledged borrowings of Jinzhong Lide, a subsidiary of the Company, of RMB45,276,000 with an annual interest rate of 3.9% from banks were secured by land use rights, for a term from September 12, 2024 to June 24, 2034.
- (7) The borrowings of Qinshui Construction Development, a subsidiary of the Company, of RMB598,964,000 with annual interest rates ranging from 3.40 to 4.19% from banks were guaranteed by the Company and Shanxi Cheng'an Construction Labour Co., Ltd., for a term from January 19, 2023 to October 29, 2044.
- (8) The Company's credit borrowings of RMB837,413,000 with annual interest rates ranging from 3.20 to 4.70% were secured from banks for a term from August 12, 2022 to June 12, 2028.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 32. Lease Liabilities

Item	June 30, 2025 (unaudited)	December 31, 2024
Lease payments	226,175	226,289
Less: Unrecognized finance costs	62,720	65,700
<b>Sub-total</b>	<b>163,455</b>	160,589
Less: Non-current liabilities due within one year	19,164	20,505
<b>Total</b>	<b>144,291</b>	140,084

Explanation: The interest expenses on lease liabilities accrued for January to June 2025 amounted to RMB3,598,000 and were included in interest expenses under finance expenses.

#### 33. Long-term Employee Remuneration Payables

Item	June 30, 2025 (unaudited)	December 31, 2024
Net liabilities in defined benefit plan	30,590	32,030
Termination benefits	1,460	1,470
Net liabilities on other long-term employee benefits satisfying conditions for defined benefit plan	—	—
Other long-term benefits	—	—
<b>Sub-total</b>	<b>32,050</b>	33,500
Less: Long-term employee remuneration payables due within one year — Post-employment benefits	3,020	3,020
Less: Long-term employee remuneration payables due within one year — Termination benefits	200	200
<b>Total</b>	<b>28,830</b>	30,280

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 33. Long-term Employee Remuneration Payables (continued)

##### (1) Changes in defined benefit plan

Present value of the defined benefit plan obligation:

Item	June 30, 2025 (unaudited)	December 31, 2024
I. Opening balance	32,030	30,490
II. Defined benefit cost recognized in current profit or loss	270	1,070
1. Service cost for current period	—	—
2. Historical service cost	—	350
3. Gains on settlement (losses are expressed in “—”)	—	—
4. Net interest	270	720
III. Defined benefit cost recognized in other comprehensive income	-10	3,800
1. Actuarial gains (losses are expressed in “—”)	-10	3,800
IV. Other changes	1,700	3,330
1. Liabilities eliminated upon settlement	—	—
2. Benefits paid	1,700	3,330
V. Closing balance	30,590	32,030

Net liabilities in defined benefit plan:

Item	June 30, 2025 (unaudited)	December 31, 2024
I. Opening balance	32,030	30,490
II. Net interest	270	720
III. Benefits paid	-1,700	-3,330
IV. Actuarial losses (gains)	-10	3,800
V. Historical service cost	—	350
VI. Service cost for current period	—	—
VII. Closing balance	30,590	32,030

In addition to the basic pension insurance provided by the local government, the Company also provides supplementary pension insurance plans and other comprehensive retirement benefit plans for employees retired since the obligation has transferred from Shanxi CIG as at June 30, 2025. The plans are accounted for as a long-term defined benefits obligation and does not have any plan assets. These plans include monthly living subsidies for employees after their retirement. The Company no longer provides (pays) any supplementary retirement benefits (including supplementary benefits such as retirement salaries, subsidies, medical care) for employees retired since May 1, 2022.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 33. Long-term Employee Remuneration Payables (continued)

##### (1) *Changes in defined benefit plan (continued)*

The Company engaged an independent actuary, Towers Watson (Shenzhen) Consulting Co., Ltd., to estimate the present value of its above retirement benefit plan obligations using the actuarial method based on the expected cumulative benefit unit method. Towers Watson (Shenzhen) Consulting Co., Ltd. is an actuarial institution with professional certification qualifications and a member of the American Academy of Actuaries. The plan estimates future cash outflows based on inflation rate and mortality rate assumptions and determines its present value at a discount rate. The discount rate is determined based on the market yield of the national debt that matches the term and currency of the obligations of defined benefit plan on the balance sheet date.

The defined benefit plan exposes the Company to actuarial risks, including interest rate risk, longevity risk and inflation risk. A decrease in the rate of return of national debt will result in an increase in the present value of the defined benefit plan obligations. The present value of the defined benefit plan obligations is calculated based on the optimal estimate of the mortality rate of the participating employees, and an increase in the life expectancy of the plan members will result in an increase in the liabilities in the plan. In addition, the present value of the defined benefit plan obligation is related to the planned future payment standard, and the payment standard is determined based on the inflation rate. Therefore, the increase in the inflation rate will also result in an increase in the liabilities in the plan.

##### (2) *Actuarial assumption*

Item	June 30, 2025 (unaudited)	December 31, 2024
Discount rate	1.50–1.75%	1.25–1.75%
Mortality rate	China Life Insurance Mortality Table (2010–2013)	China Life Insurance Mortality Table (2010–2013)
Expected life on average	5.00%	5.00%
Termination rate of employees	4.00%	4.00%
Expected growth rate of remuneration	1.50–1.75%	1.25–1.75%

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 34. Deferred Income

Item	December 31, 2024	Increase in the period	Decrease in the period	June 30, 2025 (unaudited)
Government subsidies	27,000	—	1,438	25,562
<b>Total</b>	<b>27,000</b>	<b>—</b>	<b>1,438</b>	<b>25,562</b>

Government subsidies:

Item	Balance at the end of last year	Additional grants in the period	Amount included in profit or loss in the period	Other changes	Closing balance	Asset related/ income related
Appropriation in relation to the construction on the waste recycling project (phase I) in Shanxi Transformation Comprehensive Reform Demonstration Zone Xiaohu Industrial Park	18,688	—	1,438	—	17,250	Asset-related
Jinzhong urban construction waste resource utilization concession project	3,312	—	—	—	3,312	Asset-related
Construction waste resource utilization concession project	5,000	—	—	—	5,000	Asset-related
<b>Total</b>	<b>27,000</b>	<b>—</b>	<b>1,438</b>	<b>—</b>	<b>25,562</b>	

#### 35. Share Capital (Unit: 0,000 shares)

Item	December 31, 2024	Issuance of new shares	Increase or decrease in the period (+, -)				Sub-total	June 30, 2025 (unaudited)
			Bonus issue	Shares converted from capital reserve	Others			
Shanxi Construction Investment Group Co., Ltd.	980,000	—	—	—	—	—	—	980,000
Shanghai Rongda Investment Management Co., Ltd.	20,000	—	—	—	—	—	—	20,000
Holders of overseas listed H shares	373,486	—	—	—	—	—	—	373,486
<b>Total</b>	<b>1,373,486</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,373,486</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 36. Capital Reserve

Item	December 31, 2024	Increase in the period	Decrease in the period	June 30, 2025 (unaudited)
Share premium	372,566	—	—	372,566
Other capital reserve	278,301	126	—	278,427
<b>Total</b>	<b>650,867</b>	<b>126</b>	<b>—</b>	<b>650,993</b>

#### 37. Other Comprehensive Income

Other comprehensive income attributable to the parent company in the balance sheet:

Item	December 31, 2024	Amount for the period		June 30, 2025 (unaudited)
		Attributable to the parent company, net of tax	Less: Previously recognized in other comprehensive income and transferred to retained earnings in the current period	
I. Other comprehensive income that cannot be reclassified into profit or loss	16,423	1,347	—	17,770
1. Changes in remeasurement of defined benefit plan	-5,833	9	—	-5,824
2. Changes in fair value of investment in other equity instruments	22,256	1,338	—	23,594
II. Other comprehensive income that will be reclassified into profit or loss	68,089	-44	—	68,045
1. Translation differences on financial statements of foreign currencies	2,076	-44	—	2,032
2. The portion of self-use properties converted into investment properties measured at fair value whose fair value is greater than their carrying amount on the conversion date	66,013	—	—	66,013
<b>Total other comprehensive income</b>	<b>84,512</b>	<b>1,303</b>	<b>—</b>	<b>85,815</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 37. Other Comprehensive Income (continued)

Other comprehensive income attributable to the parent company in the income statement:

Item	Amount for the period, before income tax	Amount for the period			
		Less: Previously recognized in other comprehensive income and transferred to profit or loss in the current period	Less: Income tax expenses	Less: Attributable to minority shareholders, net of tax	Attributable to the parent company, net of tax
I. Other comprehensive income that cannot be reclassified into profit or loss	1,347	—	—	—	1,347
1. Changes in remeasurement of defined benefit plan	9	—	—	—	9
2. Changes in fair value of investment in other equity instruments	1,338	—	—	—	1,338
II. Other comprehensive income that will be reclassified into profit or loss	-44	—	—	—	-44
1. Translation differences on financial statements of foreign currencies	-44	—	—	—	-44
2. The portion of self-use properties converted into investment properties measured at fair value whose fair value is greater than their carrying amount on the conversion date	—	—	—	—	—
<b>Total other comprehensive income</b>	<b>1,303</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,303</b>

#### 38. Special Reserve

Item	December 31, 2024	Increase in the period	Decrease in the period	June 30, 2025 (unaudited)
Safety production expenses	2,835	90,847	78,987	14,695
<b>Total</b>	<b>2,835</b>	<b>90,847</b>	<b>78,987</b>	<b>14,695</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 39. Surplus Reserve

Item	December 31, 2024	Increase in the period	Decrease in the period	June 30, 2025 (unaudited)
Statutory surplus reserve	12,370	7,850	—	20,220
<b>Total</b>	12,370	7,850	—	20,220

#### 40. Undistributed Profit

Item	January to June 2025 (unaudited)	2024
Undistributed profit at the end of the previous period (before adjustment)	640,148	492,728
Total adjustments for undistributed profit at the beginning of the period ("+" for increase; "-" for decrease)	—	—
Undistributed profit at the beginning of the period (after adjustment)	640,148	492,728
Add: Net profit for the period attributable to shareholders of the parent company	63,283	153,412
Less: Appropriation for statutory surplus reserve	7,850	2,308
Ordinary share dividends payable	—	3,684
<b>Undistributed profit at the end of the period</b>	<b>695,581</b>	640,148
Of which: Surplus reserve withdrawn by the subsidiaries attributable to the parent company for the prevailing year	8,989	15,218

#### 41. Operating Revenue and Operating Costs

##### (1) Operating revenue and operating costs

Item	January to June 2025 (unaudited)		January to June 2024 (unaudited)	
	Revenue	Costs	Revenue	Costs
Principal businesses	5,588,041	5,005,369	6,000,273	5,408,819
Other businesses	26,334	10,328	11,960	1,661
<b>Total</b>	<b>5,614,375</b>	<b>5,015,697</b>	6,012,233	5,410,480



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 41. Operating Revenue and Operating Costs (continued)

##### (2) Operating revenue and operating costs by type

Major type	January to June 2025 (unaudited)		January to June 2024 (unaudited)	
	Revenue	Costs	Revenue	Costs
<b>Principal businesses:</b>	<b>5,588,041</b>	<b>5,005,369</b>	6,000,273	5,408,819
1. Specialized industrial construction	4,069,822	3,735,341	3,996,675	3,614,643
— Construction income of service concession projects	—	—	813	773
— Construction income of EPC projects	4,069,822	3,735,341	3,995,862	3,613,870
2. Specialized auxiliary construction	534,251	487,804	749,831	704,031
— Construction income of service concession projects	570	525	69,130	31,371
— Construction income of EPC projects	533,681	487,279	680,701	672,660
3. Other construction	499,658	426,264	753,022	702,243
— Construction income of service concession projects	114	85	33,498	24,902
— Construction income of EPC projects	499,544	426,179	719,524	677,341
4. Non-construction business	484,310	355,960	500,745	387,902
— Operating fee income of service concession projects	62,802	51,392	59,470	43,430
— Urban heating technical services income	225,113	160,596	225,475	158,621
— Sales of LNG	73,235	70,779	114,186	110,384
— Sales of concrete	3,130	3,068	13,021	12,807
— Trading	43,849	37,791	43,561	37,285
— Design fee	20,847	10,922	17,733	11,073
— Sales of electricity	35,648	3,710	13,352	2,491
— Labor services fee	19,686	17,702	13,947	11,811
<b>Other businesses:</b>	<b>26,334</b>	<b>10,328</b>	11,960	1,661
— Lease	11,555	2,539	7,797	1,463
— Others	14,779	7,789	4,163	198
<b>Total</b>	<b>5,614,375</b>	<b>5,015,697</b>	6,012,233	5,410,480

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 41. Operating Revenue and Operating Costs (continued)

##### (3) Operating revenue and operating costs by geographical location

Major operating areas	January to June 2025 (unaudited)		January to June 2024 (unaudited)	
	Operating revenue	Operating costs	Operating revenue	Operating costs
China	5,405,009	4,842,838	5,807,094	5,217,479
Overseas	209,366	172,859	205,139	193,001
<b>Total</b>	<b>5,614,375</b>	<b>5,015,697</b>	6,012,233	5,410,480

##### (4) Breakdown of operating revenue

	January to June 2025 (unaudited)	January to June 2024 (unaudited)
<b>Timing of revenue recognition</b>		
Including: Recognized at a point in time	499,089	504,909
Recognized over time	5,103,731	5,499,527
<b>Total</b>	<b>5,602,820</b>	6,004,436

The above excludes rental income, which is recognized in accordance with the Accounting Standards for Business Enterprises No. 21.

##### (5) Remaining performance obligations

As at June 30, 2025, the transaction price allocated to unfulfilled performance obligations was RMB38,178,796,000. The expected time for recognizing such amount as revenue is as follows:

Expected time for revenue recognition	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Within one year	12,532,271	10,387,582
After one year but within five years	24,338,324	27,313,210
After five years	1,308,201	356,424
<b>Total</b>	<b>38,178,796</b>	38,057,216

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 42. Taxes and Surcharges

Item	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Property tax	2,182	3,552
Stamp duty	3,666	2,481
City maintenance and construction tax	4,423	3,430
Educational surcharge	3,040	2,776
Land use tax	542	434
Others	706	374
<b>Total</b>	<b>14,559</b>	<b>13,047</b>

Explanation: The basis for calculating taxes and surcharges are detailed in Note IV. Taxation.

#### 43. Selling Expenses

Item	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Employee remuneration	511	523
Depreciation expenses	76	75
Others	63	45
<b>Total</b>	<b>650</b>	<b>643</b>

#### 44. Management Expenses

Item	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Employee remuneration	172,150	147,268
Consulting fees	8,325	13,455
Office expenses	7,845	15,720
Depreciation expenses	10,713	10,660
Intermediary costs	2,630	9,348
Travel expenses	5,155	5,131
Lease expenses	3,870	6,270
Amortization of intangible assets	1,414	1,683
Amortization of right-of-use assets	2,768	4,782
Funds for party building	946	2,886
Others	14,294	7,547
<b>Total</b>	<b>230,110</b>	<b>224,750</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 45. Research and Development Expenses

Item	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Material costs	130,158	93,666
Labor costs	32,098	35,670
Lease expenses	5,872	2,836
Depreciation expenses	799	1,544
Others	3,949	1,765
<b>Total</b>	<b>172,876</b>	135,481

#### 46. Finance Expenses

Item	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Interest expenses	173,971	197,531
Less: Capitalized interest	1,455	10,453
Interest income from bank deposits	8,685	9,553
Interest income from PPP projects	127,771	114,864
Exchange gains or losses	269	-853
Handling fee and others	2,400	586
<b>Total</b>	<b>38,729</b>	62,394

Explanation: Capitalized interest had been included in construction in progress of Jinzhong Lide and Shan'an Runxing Engineering. The capitalization rates used to calculate and determine the capitalized borrowing costs in the current period ranged from 3.90% to 3.98% (last period: 4.20% to 7.40%).

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 47. Other Gains

Item	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Government subsidies	2,850	3,515
Refund of handling fees for withholding and payment of income tax on behalf of individuals	183	176
<b>Total</b>	<b>3,033</b>	<b>3,691</b>

Explanations:

- (1) See Note VII. Government subsidies for details of government subsidies.
- (2) See Note XV.1 for the specific reasons for recognizing government subsidies as recurring profit or loss.

#### 48. Investment Gains

Item	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Gains on long-term equity investments under equity method	-2,016	-705
Other investment gains	-212	—
<b>Total</b>	<b>-2,228</b>	<b>-705</b>

#### 49. Gains on Change of Fair Value

Source of gains on change of fair value	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Investment properties measured at fair value	1,025	-524
<b>Total</b>	<b>1,025</b>	<b>-524</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 50. Credit Impairment Losses (losses are expressed in “-”)

Item	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Bad debt losses on bill receivables	589	-52
Bad debt losses on trade receivables	-26,925	-14,604
Bad debt losses on other receivables	2,390	-20,042
<b>Total</b>	<b>-23,946</b>	<b>-34,698</b>

#### 51. Asset Impairment Losses (losses are expressed in “-”)

Item	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Impairment losses on contract assets	-16,424	-22,540
<b>Total</b>	<b>-16,424</b>	<b>-22,540</b>

#### 52. Gains on Disposal of Assets (losses are expressed in “-”)

Item	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Gains on disposal of fixed assets (losses are expressed in “-”)	411	2,970
Gains on disposal of right-of-use assets (losses are expressed in “-”)	24	—
<b>Total</b>	<b>435</b>	<b>2,970</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 53. Non-Operating Revenue

Item	January to June 2025 (unaudited)	January to June 2024 (unaudited)	Amount included in current non- recurring profit or loss
Gains on compensation	36	—	36
Others	154	5	154
<b>Total</b>	<b>190</b>	<b>5</b>	<b>190</b>

#### 54. Non-Operating Expenses

Item	January to June 2025 (unaudited)	January to June 2024 (unaudited)	Amount included in current non- recurring profit or loss
Compensation, late fees and liquidated damages	49	62	49
Fine expenditure	223	120	223
Loss on retirement of damaged non-current assets	20	—	20
Others	13	—	13
<b>Total</b>	<b>305</b>	<b>182</b>	<b>305</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 55. Income Tax Expenses

##### (1) Breakdown of income tax expenses

Item	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Current income tax calculated based on tax laws and relevant regulations	18,123	4,418
Deferred income tax expenses	-4,937	-6,706
<b>Total</b>	<b>13,186</b>	<b>-2,288</b>

##### (2) Reconciliation between income tax expenses and total profit is set out below:

Item	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Total profit	103,534	113,455
Income tax expenses at statutory (or applicable) tax rate	15,530	17,018
Effect of different tax rates applied by certain subsidiaries	6,333	3,773
Adjustment for the current income tax for previous periods	202	-19,456
Profit or loss from joint ventures and associates accounted for under the equity method	-302	106
Non-deductible costs, expenses and losses	19,093	9,709
Tax effect of unrecognized deductible losses and deductible temporary differences	-1,739	6,884
Tax effect of deduction for research and development expenses (expressed in "-")	-25,931	-20,322
<b>Income tax expenses</b>	<b>13,186</b>	<b>-2,288</b>



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 56. Notes on Items in Cash Flow Statement

##### (1) Cash received from other operating activities

Item	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Cash received from payment on behalf	867,570	116,764
Interest received	136,456	9,553
Government subsidies received	1,412	2,077
Decrease in restricted fund	149,953	50,746
Cash received from transaction and others	49,414	509,624
<b>Total</b>	<b>1,204,805</b>	<b>688,764</b>

##### (2) Cash paid for other operating activities

Item	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Safety production expenses paid	85,313	73,406
Cash payment for selling expenses, management expenses, research and development expenses	215,692	156,679
Bank handling fees paid	2,400	588
Rent and lease deposits paid relating to short-term leases and low-value asset leases	3,870	6,270
Cash paid for transaction and others	466,624	549,314
<b>Total</b>	<b>773,899</b>	<b>786,257</b>

##### (3) Cash paid for other financing activities

Item	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Repayment of principal and interest on lease liabilities	8,762	5,545
<b>Total</b>	<b>8,762</b>	<b>5,545</b>

##### (4) Change of various liabilities arising from financing activities

Item	December 31, 2024	Cash change		Non-cash change		Others	June 30, 2025 (unaudited)
		Cash inflow	Cash outflow	Accrued interests	Change in fair value		
Short-term borrowings	2,400,646	1,648,174	2,083,047	-192	—	—	1,965,581
Long-term borrowings (including long-term borrowings due within one year)	3,718,277	932,419	332,832	-772	—	—	4,317,092
Lease liabilities	160,589	—	8,762	3,598	—	8,030	163,455
<b>Total</b>	<b>6,279,512</b>	<b>2,580,593</b>	<b>2,424,641</b>	<b>2,634</b>	<b>—</b>	<b>8,030</b>	<b>6,446,128</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 57. Supplementary Information on Cash Flow Statement

##### (1) Supplementary information on cash flow statement

Supplementary information	January to June 2025 (unaudited)	January to June 2024 (unaudited)
<b>1. Reconciliation of net profit to cash flows from operating activities:</b>		
Net profit	90,348	115,743
Add: Asset impairment losses	16,424	22,540
Credit Impairment losses	23,946	34,698
Depreciation of fixed assets	50,901	37,699
Depreciation of right-of-use assets	9,295	11,092
Amortization of intangible assets	2,674	2,683
Amortization of long-term deferred expenses	250	1,551
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are expressed in “-”)	-435	-2,970
Losses on retirement of fixed assets (gains are expressed in “-”)	20	—
Losses on changes in fair value (gains are expressed in “-”)	-1,025	524
Finance expenses (gains are expressed in “-”)	172,516	187,078
Investment losses (gains are expressed in “-”)	2,228	705
Decrease in deferred income tax assets (increase is expressed in “-”)	11,768	-4,424
Increase in deferred income tax liabilities (decrease is expressed in “-”)	-18,955	-2,954
Decrease in inventories (increase is expressed in “-”)	-164,500	-211,128
Decrease in operating receivables (increase is expressed in “-”)	-907,467	-1,537,592
Increase in operational payables (decrease is expressed in “-”)	472,252	1,334,004
Others	161,815	65,394
Net cash flows from operating activities	-77,945	54,643
<b>2. Material investing and financing activities not requiring the use of cash:</b>		
Conversion of debt into capital	—	—
Convertible corporate bonds due within one year	—	—
New right-of-use assets in the current period	—	—
<b>3. Net changes in cash and cash equivalents:</b>		
Closing balance of cash	1,964,808	2,548,532
Less: Opening balance of cash	2,200,843	2,090,163
Add: Closing balance of cash equivalents	—	—
Less: Opening balance of cash equivalents	—	—
Net increase in cash and cash equivalents	-236,035	458,369

Explanation: The endorsed bank acceptance bills that the Company received from sales of goods amounted to RMB434,099,000.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 57. Supplementary Information on Cash Flow Statement (continued)

##### (2) Composition of cash and cash equivalents

Item	January to June 2025 (unaudited)	December 31, 2024
I. Cash	1,964,808	2,200,843
Including: Cash on hand	—	2
Bank deposits	1,964,808	2,200,841
Other monetary funds	—	—
Less: Restricted monetary funds and time deposits of more than three months	—	—
II. Cash equivalents	—	—
III. Closing balance of cash and cash equivalents	1,964,808	2,200,843

#### 58. Monetary Items in Foreign Currency

Item	Closing balance in foreign currency (unaudited)	Exchange rate	Closing balance translated into RMB
Cash			
Including: USD	1,597	7.1586	11,432
HKD	11,104	0.9120	10,126
AUD	38	4.6817	178
VND	2,958	0.0003	1
GNF	1,524,786	0.0008	1,265
<b>Total</b>			23,002

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### V. NOTES ON ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 59. Leases

##### (1) As a lessee

The Company has simplified the treatment of short-term leases and leases of low-value assets by not recognising right-of-use assets and lease liabilities. The charges to expense for short-term leases, low-value assets and variable lease payments not included in the measurement of lease liabilities during the current period are as follows:

Item	Amount for the current period
Short-term leases	3,870
Low-value leases	—
Variable lease payment not included in the measurement of lease liabilities	—
<b>Total</b>	<b>3,870</b>

##### (2) As a lessor

Where an operating lease is formed:

Item	Amount for the current period (unaudited)
Lease income	11,555
Income related to variable lease payment not included in lease receipt	—

The amount of undiscounted lease receipts to be received in each of the five consecutive fiscal years after the balance sheet date and the amount of undiscounted lease receipts to be received in the remaining years:

Year	Closing balance
Within 1 year after the balance sheet date	17,070
1 to 2 years after the balance sheet date	13,198
2 to 3 years after the balance sheet date	5,593
3 to 4 years after the balance sheet date	3,270
4 to 5 years after the balance sheet date	1,226
More than 5 years after the balance sheet date	—
<b>Total</b>	<b>40,357</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### VI. Interests in Other Entities

#### 1. Interests in Subsidiaries

##### (1) Composition of corporate group

Name of subsidiaries	Date of establishment	Registered capital (RMB ten thousand)	Principal place of business	Place of registration	Business nature	Shareholding ratio %		Way of acquisition
						Direct	Indirect	
Shan'an Bluesky	June 2015	101,783	Taiyuan, Shanxi	Taiyuan, Shanxi	Investment, development and operation of clean heating projects	56.77	N/A	1
Zhuo'an Materials	May 2015	30,000	Taiyuan, Shanxi	Taiyuan, Shanxi	Construction materials trading and leasing	100	N/A	1
Shan'an Maode	July 2016	300,000	Taiyuan, Shanxi	Taiyuan, Shanxi	New energy project investment, development and operation	100	N/A	1
Shanxi Ningyang	May 2013	30,000	Taiyuan, Shanxi	Taiyuan, Shanxi	Liquefied natural gas ("LNG") production and sales	51	N/A	3
Shan'an Lide	December 2015	100,000	Taiyuan, Shanxi	Taiyuan, Shanxi	Cement products and rubber products	84.38	N/A	1
Shanghai Shan'an	April 2017	100,000	Shanghai	Shanghai	Mechanical and electrical installation works construction	100	N/A	1
Shanxi Shan'an Lida Environmental Technology Co., Ltd.	May 2018	50,000	Taiyuan, Shanxi	Taiyuan, Shanxi	Ecological and environmental protection and restoration	40	18.75	1
Son Tay Viet Nam Construction Co., Ltd.	August 2020	969	Vietnam	Vietnam	Construction and operation of new energy power generation projects	100	N/A	1
Shan'an Biquan	July 2016	100,000	Taiyuan, Shanxi	Taiyuan, Shanxi	Investment, development and operation of water environment control projects	100	N/A	1
Lingchuan Shan'an Construction Development Co., Ltd.	January 2018	54,712	Lingchuan, Shanxi	Lingchuan, Shanxi	Investment, construction and operation of municipal road projects	90	N/A	1
Guangdong Shan'an Construction Engineering Co., Ltd.	May 2018	100,000	Guangzhou, Guangdong	Guangzhou, Guangdong	Mechanical and electrical installation works construction	100	N/A	1
Xiangyuan Shan'an Road and Bridge Construction Development Co., Ltd.	December 2020	29,942	Xiangyuan, Shanxi	Xiangyuan, Shanxi	Investment, construction and operation of road and bridge projects	80	N/A	1
Linfen Shan'an Waterwork Development Co., Ltd.	March 2021	20,805	Linfen, Shanxi	Linfen, Shanxi	Investment, construction and operation of sewage treatment projects	85.67	9.52	1
Australia Shan An Construction Engineering Pty Limited	March 2018	2,784	Australia	Australia	Construction and operation of new energy power generation projects	100	N/A	1
Xinjiang Shan'an	September 2018	50,000	Xinjiang, Shanxi	Xinjiang, Shanxi	Investment, construction and operation of river and lake treatment projects	60	30	1
Shanxi Shan'an Maode Electricity Supply Co., Ltd.	July 2017	20,000	Taiyuan, Shanxi	Taiyuan, Shanxi	Electricity distribution and sales business	100	N/A	1
Xiyang Shan'an	January 2019	136,660	Xiyang, Shanxi	Xiyang, Shanxi	Investment, construction and operation of underground comprehensive pipe gallery facility projects	90	N/A	1
Qinshui Culture and Sport	January 2019	67,463	Qinshui, Shanxi	Qinshui, Shanxi	Investment, construction and operation of municipal facility projects	95	N/A	1
Jiexiu Shan'an	March 2019	117,620	Jiexiu, Shanxi	Jiexiu, Shanxi	Investment, construction and operation of water environment control projects	75.24	5	1
Huguan Shan'an Two Roads Three Streets Construction Development Co., Ltd.	June 2018	60,928	Changzhi, Shanxi	Changzhi, Shanxi	Investment, construction and operation of municipal road projects	90	N/A	1
Changzhi Shan'an Construction Development Co., Ltd.	July 2018	40,000	Changzhi, Shanxi	Changzhi, Shanxi	Investment, construction and operation of industrial park projects	90	N/A	1

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### VI. Interests in Other Entities (continued)

#### 1. Interests in Subsidiaries (continued)

##### (1) Composition of corporate group (continued)

Name of subsidiaries	Date of establishment	Registered capital (RMB ten thousand)	Principal place of business	Place of registration	Business nature	Shareholding ratio %		Way of acquisition
						Direct	Indirect	
Gaoping City Shan'an Five Roads One River Construction Development Co., Ltd.	December 2017	41,880	Gaoping, Shanxi	Gaoping, Shanxi	Investment, construction and operation of municipal road projects	95	N/A	1
Hong'an Shan'an Construction Engineering Co., Ltd. (previously known as "Sichuan Shan'an Construction Engineering Co., Ltd.")	September 2021	100,000	Hong'an, Hebei	Hong'an, Hebei	Commencement of construction work; electricity and gas installation	100	N/A	1
Yangquan Shan'an Construction Development Co., Ltd.	September 2021	130,000	Yangquan, Shanxi	Yangquan, Shanxi	Investment, construction and operation of civil engineering projects	80	N/A	1
Qinshui Construction Development	May 2022	170,864	Qinshui, Shanxi	Qinshui, Shanxi	Investment, construction and operation of commercial services projects	80	N/A	1
Jinzhong Shan'an Lide Solid Waste Utilization Technology Co., Ltd.	November 2022	30,000	Jinzhong, Shanxi	Jinzhong, Shanxi	Handling of urban construction waste and cargo logistic	49	3.75	1
Hubei Shan'an Construction Engineering Co., Ltd.	September 2022	100,000	Wuhan, Hubei	Wuhan, Hubei	Construction engineering commencement; construction engineering design	100	N/A	1
Shaanxi Shan'an Construction Engineering Co., Ltd.	March 2023	100,000	Xi'an, Shaanxi	Xi'an, Shaanxi	Construction management services, subcontracting and construction labor subcontracting	100	N/A	1
Chongqing Shan'an Construction Engineering Co., Ltd.	August 2023	100,000	Chongqing	Chongqing	Construction engineering commencement; construction engineering design	100	N/A	1
Liaoning Yingkou Shan'an New Energy Co., Ltd.	October 2023	10,000	Yingkou, Liaoning	Yingkou, Liaoning	Operation of new energy power generation, power transmission and power supply projects	100	N/A	1
Shan'an Runxing New Energy (Lvliang) Co., Ltd.	November 2023	10,000	Lvliang, Shanxi	Lvliang, Shanxi	Operation of new energy power generation, power transmission and power supply projects	51	N/A	1
Shanxi Installment Xiaoyi Construction Engineering Co., Ltd.	June 2024	40,000	Xiaoyi, Shanxi	Xiaoyi, Shanxi	Construction management business, earthwork construction, foreign contracting projects	51	N/A	1
Xiyang Shan'an New Energy Co., Ltd.	March 2024	1,000	Xiyang, Shanxi	Xiyang, Shanxi	Power generation, power transmission and power supply	100	N/A	1
Baode Shan'an New Energy Co., Ltd.	March 2024	1,000	Baode, Hebei	Baode, Hebei	Power generation, power transmission and power supply	100	N/A	1
Danling Shan'an Xinyuan Co., Ltd.	January 2024	1,000	Danling, Shanxi	Danling, Shanxi	Power generation, power transmission and power supply	100	N/A	1
Fenxi Shan'an Xinyuan Co., Ltd.	January 2024	5,000	Fenxi, Shanxi	Fenxi, Shanxi	Power generation, power transmission and power supply	100	N/A	1
Changzhi Caihui Shan'an Energy Technology Co., Ltd.	January 2019	20,000	Changzhi, Shanxi	Changzhi, Shanxi	Research and development of experiments for engineering and technology	55	N/A	3
Yangquan Shan'an New Energy Co., Ltd.	March 2025	90,000	Yangquan, Shanxi	Yangquan, Shanxi	Electricity, heat, gas and water production and supply sector	100	N/A	1
Taiyuan Yingze District Shan'an New Energy Co., Ltd.	September 2024	1,000	Taiyuan, Shanxi	Taiyuan, Shanxi	Electricity, heat, gas and water production and supply sector	100	N/A	1

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### VI. Interests in Other Entities (continued)

#### 1. Interests in Subsidiaries (continued)

##### (1) Composition of corporate group (continued)

Name of subsidiaries	Date of establishment	Registered capital (RMB ten thousand)	Principal place of business	Place of registration	Business nature	Shareholding ratio %		Way of acquisition
						Direct	Indirect	
Runan New Energy (Ningwu) Co., Ltd.	April 2025	1,000	Xinzhou, Shanxi	Xinzhou, Shanxi	Electricity, heat, gas and water production and supply sector	51	N/A	1
Xiyang Shan'an Lvyuan New Energy Co., Ltd.	March 2025	100,000	Jinzhong, Shanxi	Jinzhong, Shanxi	Electricity, heat, gas and water production and supply sector	100	N/A	1
Changzhi Shan'an Zhihui Green Energy Co., Ltd.	July 2025	40,320	Changzhi, Shanxi	Changzhi, Shanxi	Scientific research and technical service sector	45	6	1
Siziwangqi Shan'an Thermal Power Co., Ltd.	April 2025	239,641	Ulanqab City, Inner Mongolia Autonomous Region	Ulanqab City, Inner Mongolia Autonomous Region	Electricity, heat, gas and water production and supply sector	49	51	1
Shilou Shan'an New Energy Co., Ltd.	July 2025	100,000	Luliang, Shanxi	Luliang, Shanxi	Electricity, heat, gas and water production and supply sector	100	N/A	1

Way of acquisition: 1. Establishment by investment; 2. Business combination under common control; 3. Business combination not under common control; 4. Others.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### VI. Interests in Other Entities (continued)

#### 1. Interests in Subsidiaries (continued)

##### (2) Significant non-wholly-owned subsidiaries

Name of subsidiaries	Shareholding ratio of minority shareholders %	Profit or loss attributable to minority shareholders in January to June 2025	Dividends declared to minority shareholders in January to June 2025	Equity balance of minority shareholders in January to June 2025
Shan'an Bluesky	43.23	27,186	44,000	353,203
Shan'an Lide	15.62	-2,073	—	9,444
Shanxi Ningyang	49.00	-2,932	—	20,840
Xiyang Shan'an	9.38	766	—	17,479
Jiexiu Shan'an	24.72	1,116	—	25,498
Xinjiang Shan'an	35.48	2,090	—	48,486
Qinshui Construction Development	20.00	3,156	—	40,027

##### (3) Main financial information of significant non-wholly-owned subsidiaries

Name of subsidiaries	June 30, 2025					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shan'an Bluesky	747,930	951,458	1,699,388	228,780	601,302	830,082
Shan'an Lide	124,057	264,507	388,564	152,884	181,295	334,179
Shanxi Ningyang	17,600	191,663	209,263	169,591	—	169,591
Xiyang Shan'an	68,675	567,586	636,261	154,051	304,146	458,197
Jiexiu Shan'an	64,127	384,364	448,491	90,898	254,679	345,577
Xinjiang Shan'an	36,916	534,702	571,618	115,359	324,607	439,966
Qinshui Construction Development	152,238	737,908	890,146	126,237	563,809	690,046

Continued (1):

Name of subsidiaries	December 31, 2024					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shan'an Bluesky	784,826	904,278	1,689,104	190,915	602,169	793,084
Shan'an Lide	137,579	269,253	406,832	153,625	185,549	339,174
Shanxi Ningyang	14,948	197,338	212,286	166,605	—	166,605
Xiyang Shan'an	77,347	560,187	637,534	148,217	318,912	467,129
Jiexiu Shan'an	45,312	357,851	403,163	64,486	240,269	304,755
Xinjiang Shan'an	37,238	522,400	559,638	94,020	339,855	433,875
Qinshui Construction Development	101,609	626,753	728,362	142,129	401,912	544,041



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### VI. Interests in Other Entities (continued)

#### 1. Interests in Subsidiaries (continued)

##### (3) Main financial information of significant non-wholly-owned subsidiaries (continued)

Continued (2):

Name of subsidiaries	January to June 2025			
	Operating revenue	Net profits	Total comprehensive income	Cash flows from operating activities
Shan'an Bluesky	291,712	64,054	64,054	15,594
Shan'an Lide	15,796	-13,273	-13,273	-3,483
Shanxi Ningyang	73,831	-5,970	-5,970	7,607
Xiyang Shan'an	520	7,659	7,659	21,807
Jiexiu Shan'an	—	4,506	4,506	21,300
Xinjiang Shan'an	1,887	5,891	5,891	24,463
Qinshui Construction Development	1	15,780	15,780	-112,781

Continued (3):

Name of subsidiaries	January to June 2024			
	Operating revenue	Net profits	Total comprehensive income	Cash flows from operating activities
Shan'an Bluesky	287,908	64,147	64,147	-28,606
Shan'an Lide	18,693	-12,325	-12,325	-4,906
Shanxi Ningyang	114,186	-4,337	-4,337	8,102
Xiyang Shan'an	18,792	7,587	7,587	34,226
Jiexiu Shan'an	12,314	4,976	4,976	15,935
Xinjiang Shan'an	19,302	5,689	5,689	9,348
Qinshui Construction Development	10,202	1,163	1,163	-1,148

#### 2. Business Combination not under Common Control

During the period, the Company was transferred 15% equity interest in Changzhi Caihui Shan'an, an associate, held by an independent third party. Upon the transfer, the Company held 55% equity interest in Changzhi Caihui Shan'an, which was included into the scope of consolidation. The consolidation cost was RMB482,000 in cash, and the fair value of the consolidation cost as determined based on evaluation was RMB482,000. The date of purchase was determined based on the agreement of equity transfer, transfer of properties and acquisition of control, which was May 31.

#### 3. Business Combination under Common Control

Business combination under common control in current period: None.

#### 4. Reverse Purchases

Reverse purchases in current period: None.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### VI. Interests in Other Entities (continued)

#### 5. Disposals of Subsidiaries

Disposals of subsidiaries in current period: None.

#### 6. Other Reasons for the Change in Scope of Consolidation

(1) Newly-established subsidiaries of the Company in current period:

Name of subsidiaries	Date of establishment	Principal place of business	Place of registration	Business nature	Share capital (RMB thousand)	Shareholding ratio %		Way of acquisition
						Direct	Indirect	
Yangquan Shan'an New Energy Co., Ltd.	March 2025	Yangquan, Shanxi	Yangquan, Shanxi	Electricity, heat, gas and water production and supply sector	90,000	100	N/A	1
Runan New Energy (Ningwu) Co., Ltd.	April 2025	Xinzhou, Shanxi	Xinzhou, Shanxi	Electricity, heat, gas and water production and supply sector	1,000	51	N/A	1
Xiyang Shan'an Lvyuan New Energy Co., Ltd.	March 2025	Jinzhong, Shanxi	Jinzhong, Shanxi	Electricity, heat, gas and water production and supply sector	100,000	100	N/A	1
Changzhi Shan'an Zhihui Green Energy Co., Ltd.	July 2025	Changzhi, Shanxi	Changzhi, Shanxi	Scientific research and technical service sector	40,320	45	6	1
Siziwangqi Shan'an Thermal Power Co., Ltd.	April 2025	Ulanqab City, Inner Mongolia Autonomous Region	Ulanqab City, Inner Mongolia Autonomous Region	Electricity, heat, gas and water production and supply sector	239,641	49.00	51	1
Shilou Shan'an New Energy Co., Ltd.	July 2025	Luliang, Shanxi	Luliang, Shanxi	Electricity, heat, gas and water production and supply sector	100,000	100	N/A	1

(2) Status of deregistration and liquidation of subsidiaries by the Company in current period:

The Company has deregistered Yushe County Shan'an Xinyuan Co., Ltd., Linfen Shan'an Lide Environmental Protection Technology Co., Ltd. and Shanxi Shan'an Yunneng Environmental Technology Co., Ltd. in current period, which are not included into the scope of consolidation.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### VI. Interests in Other Entities (continued)

#### 7. Interests in Joint Venture Arrangements or Associates

##### (1) Significant joint ventures or associates

Name of joint ventures or associates	Principal place of business	Place of registration	Business nature	Shareholding ratio (%)		Accounting treatment for investment in joint ventures or associates
				Direct	Indirect	
I. Joint ventures						
II. Associates						
Shanxi Transformation Comprehensive Reform Demonstration Zone Shan'an Xiaohu Construction Industry Co., Ltd.	Taiyuan, Shanxi	Taiyuan, Shanxi	Steel structure construction engineering	20.00	—	Equity method
Shanxi Jianfa Comprehensive Energy Development Co., Ltd.	Taiyuan, Shanxi	Taiyuan, Shanxi	Exploitation and utilization of renewable energy sources	40.00	—	Equity method
Shanxi Jiantou Cloud Data Technology Co., Ltd.	Taiyuan, Shanxi	Taiyuan, Shanxi	Software and information technology services	20.00	—	Equity method
Shanxi Jiantou International Investment Co., Ltd.	Taiyuan, Shanxi	Taiyuan, Shanxi	Foreign investment and foreign project contracting	30.00	—	Equity method
Shanxi Jiantou Linfen Construction Industry Co., Ltd.	Linfen, Shanxi	Linfen, Shanxi	Sales of non-metallic mineral products	10.00	—	Equity method
Shanxi Yu'an Hengchuang Construction Engineering Co., Ltd.	Taiyuan, Shanxi	Taiyuan, Shanxi	Leasing, maintenance of construction equipment and general machinery and equipment and construction labor subcontracting	20.00	—	Equity method
Shanxi Jinjian Shan'an Equity Investment Partnership (Limited Partnership) (hereinafter referred to as "Jinjian Shan'an") (note 1)	Taiyuan, Shanxi	Taiyuan, Shanxi	Private equity investment fund management and venture capital fund management services	74.00	—	Equity method
Taiyuan Xie'an Property Service Co., Ltd.	Taiyuan, Shanxi	Taiyuan, Shanxi	Catering service and property management	49.00	—	Equity method
Zhangzi Jinjian Flood Control and Drainage Project Management Co., Ltd.	Zhangzi, Shanxi	Zhangzi, Shanxi	Construction project management on flood control and drainage	26.40	—	Equity method
Shanxi Hangchan New Energy Co., Ltd. ("Hangchan New Energy")	Taiyuan, Shanxi	Taiyuan, Shanxi	Power generation, power transmission and power supply	15.00	—	Equity method
Fuxin Shan'an Mingyang Electricity Energy Co., Ltd. (previously known as "Yingkou Shan'an Mingyang Electricity Energy Co., Ltd.")	Yingkou, Liaoning	Yingkou, Liaoning	Power generation, power transmission and power supply	49.00	—	Equity method
Yingkou Shan'an Mingyang Green Energy Co., Ltd.	Yingkou, Liaoning	Yingkou, Liaoning	Power generation, power transmission and power supply	49.00	—	Equity method
Linfen Shan'an Lide Construction Solid Waste Comprehensive Utilization Co., Ltd. (hereinafter referred to as "Linfen Lide") (note 2)	Linfen, Shanxi	Linfen, Shanxi	Solid waste treatment and renewable resources recycling	25.00	24.00	Equity method
Yangquan Shan'an Lide Construction Solid Waste Comprehensive Utilization Co., Ltd. (hereinafter referred to as "Yangquan Lide") (note 3)	Yangquan, Shanxi	Yangquan, Shanxi	Solid waste treatment and renewable resources recycling	25.00	24.00	Equity method
Changzhi Shan'an Lide Construction Solid Waste Comprehensive Utilization Co., Ltd. (hereinafter referred to as "Changzhi Lide") (note 4)	Changzhi, Shanxi	Changzhi, Shanxi	Solid waste treatment and renewable resources recycling	25.00	24.00	Equity method

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### VI. Interests in Other Entities (continued)

#### 7. Interests in Joint Venture Arrangements or Associates (continued)

##### (1) Significant joint ventures or associates (continued)

Note 1: The Company owned 74% equity interest in Jinjian Shan'an, pursuant to the partnership agreement, the decision of operating and financial policies is governed by the investment committee. The two-third of the committee member is appointed by the general partner of Jinjian Shan'an, an independent third party. The Company only possesses significant influence over the operating and financial policies of the Jinjian Shan'an through the power to appoint the one-third of committee member of the investment committee. The Company only possessed significant influence over Jinjian Shan'an, therefore, it is classified as an associate of the Company.

Note 2: Linfen Lide was established in April 2025. The Company owned 49% equity interest in Linfen Lide, and is entitled to appoint two of the five directors of the board of directors of Linfen Lide. The management has assessed the Company's involvement in Linfen Lide, and considers that it has a significant influence on Linfen Lide. Linfen Lide is listed as an associate of the Company.

Note 3: Yangquan Lide was established in April 2025. The Company owned 49% equity interest in Yangquan Lide, and is entitled to appoint two of the five directors of the board of directors of Yangquan Lide. The management has assessed the Company's involvement in Yangquan Lide, and considers that it has a significant influence on Yangquan Lide. Yangquan Lide is listed as an associate of the Company.

Note 4: Changzhi Lide was established in December 2024. The Company owned 49% equity interest in Changzhi Lide, and is entitled to appoint two of the five directors of the board of directors of Changzhi Lide. The management has assessed the Company's involvement in Changzhi Lide, and considers that it has a significant influence on Changzhi Lide. Changzhi Lide is listed as an associate of the Company.

##### (2) Main financial information of significant joint ventures or associates

Item	Shanxi Jianfa Comprehensive Energy Development Co., Ltd.		Shanxi Construction Investment International Investment Co., Ltd.		Shanxi Jinjian Shan'an Equity Investment Partnership (Limited Partnership)		Shanxi Transformation Comprehensive Reform Demonstration Zone Shan'an Xiaohu Construction Industry Co., Ltd.	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Current assets	47,483	55,773	9,151	18,194	120,074	120,106	2,205	5,996
Non-current assets	120,235	124,804	91,070	91,120	—	—	182,000	182,316
Total assets	167,718	180,577	100,221	109,314	120,074	120,106	184,205	188,312
Current liabilities	106,381	120,250	8,629	11,910	—	31	86,232	85,968
Non-current liabilities	11,957	12,842	—	—	—	—	30,928	31,432
Total liabilities	118,338	133,092	8,629	11,910	—	31	117,160	117,400
Net assets	49,380	47,485	91,592	97,404	120,074	120,075	67,045	70,912
Proportionate share in net assets	19,757	18,999	27,829	29,626	89,055	89,056	13,246	14,019
Adjustments	—	—	—	—	—	—	—	—
Carrying amount of investments in associates	19,757	18,999	27,829	29,626	89,055	89,056	13,246	14,019
Fair value of equity investments with quoted price	—	—	—	—	—	—	—	—
Operating revenue	14,333	32,103	-7,817	5,661	—	911	3,257	117
Net profit	1,895	6,222	-5,812	395	-1	6	-3,867	-5,802
Other comprehensive income	—	—	—	—	—	—	—	—
Total comprehensive income	1,895	6,222	-5,812	395	-1	6	-3,867	-5,802
Dividends from associates received in current period	—	792	—	—	—	—	—	—

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### VI. Interests in Other Entities (continued)

#### 7. Interests in Joint Venture Arrangements or Associates (continued)

##### (3) Summarized information of insignificant joint ventures and associates

Item	June 30, 2025	December 31, 2024
Joint ventures:		
Total carrying amount of investment		
Total of the following by shareholding ratio		
Net profit	—	—
Other comprehensive income	—	—
Total comprehensive income	—	—
Associates:		
Total carrying amount of investment	116,892	58,544
Total of the following by shareholding ratio	—	—
Net profit	848	-4,102
Other comprehensive income	—	—
Total comprehensive income	848	-4,102

### VII. Government Subsidies

#### 1. Government subsidies included in deferred income

Type	December 31, 2024	Increase in the period	Decrease in the period	June 30, 2025 (unaudited)
Government subsidies related to assets	27,000	—	1,438	25,562
<b>Total</b>	27,000	—	1,438	25,562

##### (1) Government subsidies included in deferred income subsequently measured by adopting the gross amount method

Subsidized project	Type	Opening balance	Increase in subsidies in the current period	Amount transferred to profit or loss in the current period	Other changes	Closing balance	Presented item transferred to profit or loss in the current period	Related to assets/ related to income
Waste recycling project (phase I) in Shanxi Transformation Comprehensive Reform Demonstration Zone Xiaohu Industrial Park	Financial allocation	18,688	—	1,438	—	17,250	Other income	Related to assets
Urban construction waste resource utilization project in Jinzhong City	Financial allocation	3,312	—	—	—	3,312	Other income	Related to assets
Construction waste resource utilization project in Jinzhong City	Financial allocation	5,000	—	—	—	5,000	Other income	Related to assets
<b>Total</b>		27,000	—	1,438	—	25,562		

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### VII. Government Subsidies (continued)

#### 1. Government subsidies included in deferred income (continued)

#### (2) Government subsidies included in the current profit or loss by adopting the gross amount method

Subsidized project	Type	Amount included in profit or loss for January to June 2025	Amount included in profit or loss for January to June 2024	Presented item included in profit or loss	Related to assets/ related to income
Project funding for waste recycling project (phase I) in Shanxi Transformation Comprehensive Reform Demonstration Zone Xiaohu Industrial Park	Financial allocation	1,438	1,438	Other income	Related to assets
Vocational skills improvement training subsidy fund	Financial allocation	300	—	Other income	Related to income
Reward for industrial enterprises of large scale with stable growth — Financial Management and Operation Department of Shanxi Transformation and Comprehensive Reform Demonstration Zone Administration Committee	Financial allocation	300	—	Other income	Related to income
Reward for high-income enterprise	Financial allocation	600	—	Other income	Related to income
2024 engineering and construction local standard subsidy fees	Financial allocation	100	—	Other income	Related to income
Job stability subsidy	Financial allocation	79	11	Other income	Related to income
Interest subsidy for equipment update and modification — Shanxi Provincial Development and Reform Commission 4.9	Financial allocation	29	—	Other income	Related to income
Job expansion subsidy for recent graduates	Financial allocation	4	4	Other income	Related to income
Specific funding for technological modification in 2024	Financial allocation	—	1,000	Other income	Related to income
Specific funding for technological modification in 2024 (first tranche of fund for development of key industry chains)	Financial allocation	—	500	Other income	Related to income
2023 demonstration zone high-quality development recognition and reward fund	Financial allocation	—	200	Other income	Related to income
2024 provincial specialized fund for the development of small and medium enterprises	Financial allocation	—	100	Other income	Related to income
“First entry into regulation in 2019 and three consecutive years of regulation” reward funds from Daning County Private Economic Development Promotion Center	Financial allocation	—	100	Other income	Related to income
Receipt of science and technology R&D innovation platform incentive fund — Shanxi Transformation and Comprehensive Reform Demonstration Zone Administration Committee	Financial allocation	—	80	Other income	Related to income
Subsidy for employment internship units for the fourth quarter of 2023	Financial allocation	—	60	Other income	Related to income
Delivery standard for construction information models	Financial allocation	—	15	Other income	Related to income
Subsidy for employment internship units for the third quarter of 2023	Financial allocation	—	7	Other income	Related to income
<b>Total</b>		<b>2,850</b>	<b>3,515</b>		



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### VIII. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS

Major financial instruments of the Company include cash, bill receivables, trade receivables, receivables financing, other receivables, non-current assets due within one year, other current assets, investments in other equity instruments, bill payables, trade payables, other payables, short-term borrowings, non-current liabilities due within one year, long-term borrowings, lease liabilities and long-term payables. Details of financial instruments are disclosed in related notes. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are described below. The management of the Company manages and monitors these exposures to ensure that the above risks are controlled in a limited extent.

#### 1. Risk Management Objectives and Policies

Risks associated with the financial instruments of the Company mainly include credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and commodity price risk).

The Company's objectives in risk management is to achieve an appropriate balance between risk and return, minimizing the negative impact of risk on the Company's operating performance to the lowest level, and maximizing the interests of shareholders and other equity investors. Based on the risk management objectives, the Company's fundamental strategy for risk management is to identify and analyse various risks faced by the Company, establish appropriate risk tolerance thresholds, and conduct risk management. Additionally, timely and reliable supervision of various risks is carried out to control risks within defined limits.

The Board is responsible for planning and establishing the Company's risk management structure, formulating the Company's risk management policies and relevant guidelines and overseeing the implementation of risk management measures. The Company has formulated risk management policies to identify and analyze the risks faced by the Company. These risk management policies specify specific risks and cover various aspects such as market risk, credit risk and liquidity risk management. The Company regularly assesses changes in the market environment and the Company's operating activities to determine whether to update its risk management policies and systems. The risk management of the Company is carried out by the risk management committee in accordance with policies approved by the Board. The risk management committee identifies, evaluates and mitigates related risks through close cooperation with other business departments of the Company. The Company's internal audit department conducts regular audit on the risk management control and procedures and reports the audit results to the Company's audit committee.

The Company diversifies its exposure to financial instruments through an appropriate mix of diversified investments and businesses and reduces its exposure to a single industry, specific region or specific counterparty by developing appropriate risk management policies.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### VIII. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (continued)

#### 1. Risk Management Objectives and Policies (continued)

##### (1) Credit risk

Credit risk refers to the risk that the counterparties default on their contractual obligations resulting in financial losses to the Company.

The Company manages credit risk on a group basis. Credit risk mainly arises from bank deposits, bill receivables, trade receivables, and other receivables.

The Company's bank deposits are mainly placed with reputable financial institutions with high credit ratings. The Company expects that there is no significant credit risk for the bank deposits.

In respect of the bill receivables, trade receivables and other receivables, the Company has established relevant policies to control credit risk exposure. The Company assesses the customer's creditworthiness based on their financial situation, credit history, and other factors such as the current market conditions, and sets the corresponding credit period. The Company will regularly monitor customer credit records. For customers with poor credit records, the Company will use methods such as written payment reminders, shortening the credit period, or cancelling the credit period to ensure that the overall credit risk of the Company is limited to a controllable extent.

The debtors of the Company's trade receivables are customers in different industries and regions. The Company continuously conducts credit assessments on the financial status of trade receivables and purchases credit guarantee insurance when appropriate.

The maximum credit risk exposure borne by the Company is the carrying amount of each financial asset in the balance sheet. The Company does not provide any other guarantees that may expose the Company to credit risk.

Of the Company's trade receivables, the trade receivables from the top five customers accounted for 15.41% of the Company's total trade receivables (2024: 19.04%); and of the Company's other receivables, the other receivables from the top five companies accounted for 79.72% of the Company's total other receivables (2024: 78.04%).



## VIII. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (continued)

### 1. Risk Management Objectives and Policies (continued)

#### (1) Credit risk (continued)

##### *Trade receivables, bill receivables and contract assets*

It is the policy of the Company to deal only with creditworthy counterparties. Credit rating is granted to new customers after credit assessment is made by the credit control department. When appropriate, customers may be requested to provide proof as to their financial position. External credit rating and/or reports on customers are obtained and used at reasonable cost. Customers who are not considered creditworthy are required to pay in advance or on delivery of goods. Payment record of customers is closely monitored. It is not the Company's policy to request collateral from its customers.

In addition, as set out in notes, the Company assesses expected credit losses for trade receivables, bill receivables and contract assets based on provision matrix, and the expected loss rates are based on the historical settlement experience as well as the corresponding historical credit losses. The Company considered the contract assets share the similar risk profile with the corresponding trade receivables of the same project and apply the expected loss rate of corresponding trade receivables as proxy to derive at the expected loss rate of the contract assets.

The historical loss rates are adjusted based on the current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. Details are set out as below:

##### *Historical loss rate*

The Company summarizes the trade receivables into appropriate age bands for the last 36 months (the historical back-testing dates) to calculate the historical loss rate representing the percentage of trade receivables in each age band that was ultimately written off. In calculating the average historical loss rate of the each age band, the Company applies a roll rate on each age band which represents the percentage of trade receivables that are not received in the age band and rolled to the next age band and ultimately written-off.

In determining trade receivables that are ultimately written off, the Company considers that the trade receivables is credit-impaired or has no reasonable expectation of recovery when one or more events of default that bear a detrimental impact on the estimated future cash flows of that financial asset have occurred including but not limited to:

- (a) significant financial difficulty of the customer;
- (b) a breach of contract, such as a default or past due event;
- (c) it is becoming probable that the customer will enter into bankruptcy or other financial reorganization; or
- (d) the disappearance of an active market for that financial asset because of financial difficulties.

## VIII. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (continued)

### 1. Risk Management Objectives and Policies (continued)

#### (1) Credit risk (continued)

##### *Historical loss rate (continued)*

The roll rate on each age band is carefully considered, taking into account, among others, (i) the historical loss pattern based on actual settlement record of the customers; (ii) historical amount of bad debt written off from the trade receivables (if any); (iii) the percentage of trade receivable balances in one age band rolled to the next age band; (iv) the relevant credit rating, background and existence of any negative news affecting the credibility of an individual customer; and (v) other forward-looking macroeconomic factors.

##### *Forward-looking adjustment*

The Company adjusts the historical loss rate taking into account forward-looking factors. The Company has applied multiple factor regression model for determining the forward-looking factor adjustment. The adjustment determined by the multiple factor regression model is significantly affected by some significant changes in the market indexes at the end of each reporting period, the current market conditions and future economic environment. The macroeconomic factors including the GDP Price Index, construction industrial index and Money Supply data in the PRC are considered relevant in calculating the adjustment as most of the customers and projects are carried out in the PRC.

At the end of each reporting period, the historical default rates are updated and changes in the forward-looking estimates are analyzed. However, given exposure to credit risk in short term, the effects from those macroeconomic factors in the reporting period are insignificant/forward-looking information is applied, the Company has taken into account the relevant possible effects from changes in general economic environment.

Trade receivables, bill receivables and contract assets are written off (i.e. derecognized) when there is no reasonable expectation of recovery. Failure to engage with the Company on alternative payment arrangement is considered to be indicators of no reasonable expectation of recovery.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### VIII. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (continued)

#### 1. Risk Management Objectives and Policies (continued)

##### (1) Credit risk (continued)

Forward-looking adjustment (continued)

Based on the above, expected credit losses for trade receivables, bill receivables and contract assets have been determined as below:

Item	June 30, 2025 (unaudited)	December 31, 2024
<b>Expected credit loss rate:</b>		
— trade receivables (note)	6.67%	6.93%
— bill receivables	1.37%	1.32%
— contract assets	1.37%	1.32%
<b>Gross carrying amount:</b>		
— trade receivables	7,058,669	6,404,345
— bill receivables	79,851	127,744
— contract assets	6,957,472	6,511,633
<b>Expected credit losses:</b>		
— trade receivables	470,597	443,672
— bill receivables	1,094	1,683
— contract assets	95,317	85,789

Note: The following table is an aging analysis of the net carrying amount of the trade receivables (based on invoice date) together with the expected credit loss rate during each of the reporting period:

Item	June 30, 2025 (unaudited)		December 31, 2024	
	Trade receivables	Expected credit loss rate (%)	Trade receivables	Expected credit loss rate (%)
Within 1 year	3,691,656	1.37	3,136,274	1.32
1 to 2 years (including 1 year)	1,273,575	3.32	1,907,613	3.51
2 to 3 years (including 2 years)	1,022,890	6.59	795,846	7.30
3 to 4 years (including 3 years)	482,924	13.01	202,679	13.53
4 to 5 years (including 4 years)	117,027	23.79	165,535	22.20
Over 5 years (including 5 years)	—	100.00	196,398	100.00
<b>Total</b>	<b>6,588,072</b>	<b>5.01</b>	<b>6,404,345</b>	<b>6.93</b>

## VIII. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (continued)

### 1. Risk Management Objectives and Policies (continued)

#### (1) Credit risk (continued)

##### *Other financial assets measured at amortized cost*

Other financial assets measured at amortized cost include other receivables and cash. In order to minimize the credit risk of other receivables, the management of the Company has designated a team responsible for determination of credit limits and credit approvals. The management would make periodic collective and individual assessment on the recoverability of other receivables based on historical settlement records and past experience as well as current external information, and make adjustment based on the weighted probability of forward-looking information including operation default rate of debtors. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. If the credit risk of debt instruments is considered to be high, collateral is required before granting the debts to debtors. In these regards, the credit risk of other receivables is considered to be low.

Besides, as at June 30, 2025, it is expected that other receivables from debtors amounted to RMB793,762,000 (2024: RMB802,073,000) in aggregate. As disclosed in Note V.6, except for other receivables, all fall within Stage 2 and Stage 3. After taking into account the factors in Note III.10, the management of the Company considers there is no significant increase in credit risk on other receivables since initial recognition as the risk of default is low. Therefore, expected credit losses determination is based on 12-month expected credit losses for other receivables under Stage 1. As at June 30, 2025, the expected credit loss rate for other receivables was 6.27% (2024: 6.51%).

#### (2) Liquidity risk

Liquidity risk refers to the risk that the Company may encounter deficiency of funds in meeting obligations settled by delivering cash or other financial assets.

When managing liquidity risk, the Company maintains and monitors cash and cash equivalents that management deems sufficient to meet the Company's operational needs and reduce the impact of cash flow fluctuations. The management of the Company monitors the use of bank loans and ensures compliance with the loan agreements. At the same time, the Company obtains commitments from major financial institutions to provide sufficient reserve funds, so as to meet short-term and long-term funding needs.

The Company raises operating funds through the funds generated from its business operations, bank loans and other borrowings. As at the end of the period, the unutilized banking facilities of the Company amounted to RMB8,682,632,000 (the end of last year: RMB8,201,176,000).

The liquidity of the Company mainly depends on the ability to maintain sufficient operation cash inflow to repay debts when due, and ability to obtain external finance to fund future capital expenditure committed.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### VIII. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (continued)

#### 1. Risk Management Objectives and Policies (continued)

##### (2) Liquidity risk (continued)

At the end of the period, the financial liabilities and off-balance sheet guarantee items held by the Company were analyzed according to the maturity period of the undiscounted remaining contractual cash flows as below (Unit: RMB thousand):

Item	June 30, 2025 (unaudited)			
	Within one year	From one year to five year	Over five years	Total
Financial liabilities:				
Short-term borrowings	1,965,582	—	—	1,965,582
Notes payables	2,446,108	—	—	2,446,108
Trade payables	10,131,027	—	—	10,131,027
Other payables	522,992	—	—	522,992
Non-current liabilities due within one year	760,050	—	—	760,050
Other current liabilities	498,047	—	—	498,047
Long-term borrowings	—	2,401,488	1,917,068	4,318,556
Lease liabilities	—	42,992	96,324	139,316
Guarantees provided to external parties	7,119	—	—	7,119
<b>Total financial liabilities and contingent liabilities</b>	<b>16,330,925</b>	<b>2,444,480</b>	<b>2,013,392</b>	<b>20,788,797</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### VIII. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (continued)

#### 1. Risk Management Objectives and Policies (continued)

##### (2) Liquidity risk (continued)

At the end of last year, the financial liabilities and off-balance sheet guarantee items held by the Company were analyzed according to the maturity period of the undiscounted remaining contractual cash flows as below (Unit: RMB thousand):

Item	December 31, 2024			Total
	Within one year	From one year to five year	Over five years	
Financial liabilities:				
Short-term borrowings	2,400,646	—	—	2,400,646
Notes payables	1,888,383	—	—	1,888,383
Trade payables	9,492,423	—	—	9,492,423
Other payables	583,394	—	—	583,394
Non-current liabilities due within one year	767,873	—	—	767,873
Other current liabilities	872,591	—	—	872,591
Long-term borrowings	156,672	1,853,354	1,934,798	3,944,824
Lease liabilities	—	49,389	90,695	140,084
Guarantees provided to external parties	105,761	—	—	105,761
<b>Total financial liabilities and contingent liabilities</b>	<b>16,267,743</b>	<b>1,902,743</b>	<b>2,025,493</b>	<b>20,195,979</b>

The amount of financial liabilities as disclosed in the above table represents the undiscounted contractual cash flow and thus it might be different from the carrying amount in the balance sheet.

The maximum guarantee amount for signed guarantee contracts does not represent the amount to be paid.

### VIII. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (continued)

#### 1. Risk Management Objectives and Policies (continued)

##### (3) *Market risk*

Market risk of financial instruments refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in market prices, including interest rate risk, exchange rate risk, and other price risks.

##### *Interest rate risk*

Interest rate risk refers to the risk that the fair value or future cash flow of a financial instrument fluctuate due to market rate changes. Interest rate risk arises from recognized interest-bearing financial instruments and unrecognized financial instruments (such as certain loan commitments).

The Company's interest rate risk arises mainly from long-term bank borrowings and other long-term interest-bearing debts. Financial liabilities with floating interest rates expose the Company to cash flow interest rate risk, while financial liabilities with fixed interest rates expose the Company to fair value interest rate risk. The Company determines the relative proportions of fixed-rate and floating-rate contracts based on the prevailing market conditions and maintains an appropriate mix of fixed-rate and floating-rate instruments through regular reviews and monitoring.

The Company closely monitors the impact of interest rate changes on the Company's interest rate risk. The Company does not have an interest rate hedging policy. However, the management is responsible for monitoring interest rate risk and will consider hedging significant interest rate exposure if necessary. An increase in interest rate will increase the cost of new interest-bearing debts as well as interest expense on the Company's outstanding interest-bearing debts with floating interest rates, and have a material adverse effect on the Company's financial results. The management will make timely adjustments based on the latest market conditions, which may be in the form of interest rate swaps arranged to reduce interest rate risk.

##### *Exchange rate risk*

Exchange rate risk refers to the risk that the fair value or future cash flow of a financial instrument fluctuate due to changes in foreign exchange rates. The exchange rate risk mainly comes from financial instruments denominated in foreign currencies other than the accounting currency.

Exchange rate risk mainly represents the exposure of the Company's financial position and cash flows to fluctuations in foreign exchange rates. Except for the subsidiaries established in Hong Kong which hold assets denominated in Hong Kong dollars, the investment business in Hong Kong market only accounts for a small portion, and the proportion of foreign currency assets and liabilities held by the Company to the overall assets and liabilities is insignificant. Therefore, the Company considers that the exposure to exchange rate risk is insignificant.

##### *Other price risks*

Other price risks refer to the risks of fluctuations due to changes in market price other than exchange rate risk and interest rate risk, whether these changes are caused by factors related to individual financial instruments or their issuers, or by factors related to all similar financial instruments traded in the market.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### VIII. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (continued)

#### 2. Capital Management

The Company's capital management policy aims to ensure its ability to continue operating, thereby providing returns to shareholders and benefits to other stakeholders, while maintaining an optimal capital structure to minimize capital costs.

To maintain or adjust the capital structure, the Company may modify financing methods, adjust dividend paid to shareholders, return capital to shareholders, issue new shares and other equity instruments or dispose of assets to reduce debts.

The Company's gearing ratio at the end of the period was 86.46% (at the end of last year: 86.14%).

The Company utilizes the gearing ratio to monitor its capital. To more effectively reflect the gearing ratio of the Group, as at the balance sheet date, the Company formulates its gearing ratio as below:

Such ratio is calculated by dividing net debts by total capital. Net debt is total borrowings (including short-term borrowings, long-term borrowings due within one year and long-term borrowings) less cash balance presented in the statement of cash flow. Total capital is the sum of shareholders' equity and net debt presented in the consolidated balance sheet. Total shareholders' equity includes shareholders' equity attributable to the parent company and minority interests.

As at the balance sheet date, the Company's gearing ratio is as below:

Item	June 30, 2025 (unaudited)	December 31, 2024
Short-term borrowings	1,965,582	2,400,646
Long-term borrowings due within one year	740,886	747,368
Long-term borrowings	3,576,206	2,970,909
Less: Cash balance presented in the statement of cash flow	1,964,808	2,200,843
Net debts	4,317,866	3,918,080
Shareholders' equity	3,403,348	3,343,356
Total capital	7,721,214	7,261,436
Gearing ratio	55.92%	53.96%



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### IX. FAIR VALUE

The level in which fair value measurement is categorized is determined by the lowest level of inputs that are significant to the overall measurement in fair value measurement. The levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than market quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as a price) or indirectly (i.e., derived from price).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### Items and amounts measured at fair value

At the end of the period, assets and liabilities measured at fair value are presented according to the above three levels as follows:

Item	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement				
(I) Financial assets held for trading				
1. Investment in equity instruments	—	—	—	—
2. Financial assets designated at fair value through profit or loss	—	—	—	—
(II) Receivables financing	—	—	74,686	74,686
(III) Investment in other equity instruments	—	—	149,406	149,406
(IV) Investment properties	—	—	188,747	188,747
1. Leased land use rights	—	—	—	—
2. Leased buildings	—	—	188,747	188,747
3. Land use rights held for transfer after appreciation	—	—	—	—
<b>Total assets measured at fair value on a recurring basis</b>	—	—	412,839	412,839

During the year, there were no transfers between Level 1 and Level 2 in the fair value measurement of the Company's financial assets and financial liabilities, and there were no transfers into or out of Level 3.

For financial instruments traded in active markets, the Company determines their fair value based on their quoted prices in active markets; and for financial instruments not traded in active markets, the Company uses valuation techniques to determine their fair value. The valuation models used mainly include the discounted cash flow model and the market comparable company model. The inputs for valuation techniques mainly include risk-free rate, benchmark rate, exchange rate, credit spread, liquidity premium, and discount for lack of marketability.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### IX. FAIR VALUE (continued)

#### Items and amounts not measured at fair value but for which fair value is disclosed

The financial assets and financial liabilities at amortized cost of the Company mainly include: cash, bill receivables, trade receivables, other receivables, short-term borrowings, bill payables, trade payables, other payables, long-term borrowings due within one year, long-term payables, long-term borrowings, and bond payables.

#### Quantitative information of important unobservable input values used in level 3 fair value measurement

Content	Closing fair value	Valuation techniques	Unobservable inputs	Range (weighted average)
Equity instrument investment:				
Non-listed equity investment	149,406	Market approach (PB multiples)	PB multiples Liquidity discount	1.23–2.05 (1.62) 25.60%–28.81% (28.00%)
Investment properties:				
Commercial properties	18,747	Market approach (listed companies comparison approach)	Unit price per square meters	6,001.1–10,936.02 (9,661.12)

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

#### 1. Parent Company of the Company

Name of parent company	Place of registration	Nature of business	Registered capital (RMB'000)	Shareholding of the parent company in the Company (%)	Voting right of the parent company in the Company (%)
Shanxi Construction Investment Group Co., Ltd.	Taiyuan, Shanxi	Building construction	5,000,000	71.35	71.35

The parent company of the Company is Shanxi Construction Investment Group Co., Ltd. (山西建設投資集團有限公司) ("**Shanxi CIG**").

The ultimate holding company of the Company is Shanxi State-owned Capital Operation Co., Ltd. (山西省國有資本運營有限公司) ("**SSCO**"), and the ultimate controller of the company is the State-owned Assets Supervision and Administration Commission of the People's Government of Shanxi Province (山西省人民政府國有資產監督管理委員會).

The changes in registered capital (paid-in capital) of the parent company during the reporting period are as follows:

Unit: RMB'000

December 31, 2024	Increase in the period	Decrease in the period	June 30, 2025
5,000,000	—	—	5,000,000

#### 2. Subsidiaries of the Company

See Note VI.1 for details of the subsidiaries.

#### 3. Joint Ventures and Associates of the Company

See Note VI.7 for details of the significant joint ventures and associates.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 4. Other Related Parties of the Company

Name of the Related Party	Relationship with the Company
Shanghai Rongda Investment Management Co., Ltd.	A shareholder of the Company having the same ultimate holding parent company
Linfen Shan'an Lide Construction Solid Waste Comprehensive Utilization Co., Ltd.	An associate
Shanxi Hangchan New Energy Co., Ltd.	An associate
Shanxi Jianfa Comprehensive Energy Development Co., Ltd.	An associate
Shanxi Construction Investment International Investment Co., Ltd.	An associate
Shanxi Jiantou Linfen Construction Industry Co., Ltd.	An associate
Shanxi Jiantou Cloud Data Technology Co., Ltd.	An associate
Shanxi Jinjian Shan'an Equity Investment Partnership (Limited Partnership)	An associate
Shanxi Yu'an Hengchuang Construction Engineering Co., Ltd.	An associate
Shanxi Transformation Comprehensive Reform Demonstration Zone Shan'an Xiaohu Construction Industry Co., Ltd.	An associate
Taiyuan Xie'an Property Service Co., Ltd.	An associate
Zhangzi Jinjian Flood Control and Drainage Project Management Co., Ltd.	An associate
Beijing Guangheng Real Estate Development Co., Ltd.	A company under common control of the parent company
Huayang Group (Yangquan) New Energy Sales Co., Ltd.	A company under common control of the parent company
Jincheng Danhe Huada Real Estate Development Co., Ltd.	A company under common control of the parent company
Jincheng Danhe Huasheng Real Estate Development Co., Ltd.	A company under common control of the parent company
Jinjian International Finance Lease (Tianjin) Co., Ltd.	A company under common control of the parent company
Jinjian International Commercial Factoring (Zhuhai Hengqin) Co., Ltd.	A company under common control of the parent company
Jinjian International Commercial Factoring (Zhuhai Hengqin) Co., Ltd.	A company under common control of the parent company
Coal Industry Taiyuan Design and Research Institute Group Co., Ltd.	A company under common control of the parent company
Shanxi Aobo Construction Industry Co., Ltd.	A company under common control of the parent company
Shanxi Eighth Construction Group Co., Ltd.	A company under common control of the parent company
Shanxi Beifang Copper Co., Ltd.	A company under common control of the parent company
Shanxi Datongyu Engineering Tools Leasing Co., Ltd.	A company under common control of the parent company
Shanxi Low Carbon Environmental Protection Industry Group Co., Ltd.	A company under common control of the parent company
Shanxi Second Construction Group Co., Ltd.	A company under common control of the parent company
Shanxi Second Construction Group Co., Ltd. Comprehensive Reform Demonstration Zone Branch	A company under common control of the parent company
Shanxi Hangchan Technology Co., Ltd.	A company under common control of the parent company



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 4. Other Related Parties of the Company (continued)

Name of the Related Party	Relationship with the Company
Shanxi Hongchangsheng Material Supply Chain Management Co., Ltd.	A company under common control of the parent company
Shanxi Huaxia Construction Engineering Consulting Co., Ltd.	A company under common control of the parent company
Shanxi Yellow River Water Ecological Environmental Protection Holdings Co., Ltd.	A company under common control of the parent company
Shanxi Mechanization Construction Group Co., Ltd.	A company under common control of the parent company
Shanxi Jianda Ready Mixed Concrete Co., Ltd.	A company under common control of the parent company
Shanxi Jiangong Construction Engineering Testing Co., Ltd.	A company under common control of the parent company
Shanxi Construction Materials Trading Co., Ltd.	A company under common control of the parent company
Shanxi Jiankan Geotechnical Engineering Co., Ltd.	A company under common control of the parent company
Shanxi Construction Financing Guarantee Co., Ltd.	A company under common control of the parent company
Shanxi Construction Investment Group Co., Ltd.	A company under common control of the parent company
Shanxi Construction Investment Group Co., Ltd. East China Regional Headquarter	A company under common control of the parent company
Shanxi Construction Investment City Operation Group Co., Ltd.	A company under common control of the parent company
Shanxi Jiantou International Construction Group Co., Ltd.	A company under common control of the parent company
Shanxi Jiantou Construction Industry Co., Ltd.	A company under common control of the parent company
Shanxi Jiantou South East Jin Construction Industry Co., Ltd.	A company under common control of the parent company
Shanxi Jiantou Supplies Trading Co., Ltd.	A company under common control of the parent company
Shanxi Jiantou Changzhi Construction Industry Co., Ltd.	A company under common control of the parent company
Shanxi Jiantou Equipment Manufacturing Co., Ltd.	A company under common control of the parent company
Shanxi Jiantou Decoration Industry Co., Ltd.	A company under common control of the parent company
Shanxi Jianye Material Leasing Co., Ltd.	A company under common control of the parent company
Shanxi Construction Engineering Group Co., Ltd.	A company under common control of the parent company
Shanxi Construction Engineering Group Co., Ltd. Fourth Engineering Company	A company under common control of the parent company
Shanxi Construction Engineering Group Co., Ltd. Design Institute	A company under common control of the parent company
Shanxi Construction Equipment Tools Leasing Co., Ltd.	A company under common control of the parent company
Shanxi Jinheng Construction Hoisting Equipment Installation Engineering Co., Ltd.	A company under common control of the parent company
Shanxi Static Traffic Construction and Operation Co., Ltd.	A company under common control of the parent company
Shanxi Keyuan Construction Research and Testing Co., Ltd.	A company under common control of the parent company
Shanxi Sixth Construction Group Co., Ltd.	A company under common control of the parent company
Shanxi Lvjian Zhizao Decorative Aluminium Board Technology Co., Ltd.	A company under common control of the parent company
Shanxi Lvjian Housing Technology Co., Ltd.	A company under common control of the parent company
Shanxi Nonggu Park Industrial Development Co., Ltd.	A company under common control of the parent company
Shanxi Third Construction Group Co., Ltd.	A company under common control of the parent company
Shanxi Urban Renewal Construction Operation Management Co., Ltd.	A company under common control of the parent company

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 4. Other Related Parties of the Company (continued)

Name of the Related Party	Relationship with the Company
Shanxi Engineering Machinery Co., Ltd.	A company under common control of the parent company
Shanxi Engineering Machinery Co., Ltd. Xi'an Branch	A company under common control of the parent company
Shanxi Building Materials Industry Design and Research Institute Co., Ltd.	A company under common control of the parent company
Shanxi Architectural Science Research Institute Testing Centre Co., Ltd.	A company under common control of the parent company
Shanxi Architectural Design and Research Institute Co., Ltd.	A company under common control of the parent company
Shanxi Construction Decoration Engineering Co., Ltd.	A company under common control of the parent company
Shanxi Construction Decoration Engineering Co., Ltd. First Branch	A company under common control of the parent company
Shanxi Jinta Hoisting Equipment Installation Engineering Co., Ltd.	A company under common control of the parent company
Shanxi Survey Design Research Institute Co., Ltd.	A company under common control of the parent company
Shanxi Investment Planning Research Institute Co., Ltd.	A company under common control of the parent company
Shanxi Fourth Construction Group Co., Ltd.	A company under common control of the parent company
Shanxi Fourth Construction Group Co., Ltd. Material Supply Station	A company under common control of the parent company
Shanxi Fourth Construction Group Co., Ltd. Second Branch	A company under common control of the parent company
Shanxi Fourth Construction Group Co., Ltd. Eleventh Branch	A company under common control of the parent company
Shanxi Fourth Construction Group Co., Ltd. Fifth Branch	A company under common control of the parent company
Shanxi Fourth Construction Group Co., Ltd. Jindong Branch	A company under common control of the parent company
Shanxi Fourth Construction Group Co., Ltd. Design Business Department	A company under common control of the parent company
Shanxi Fourth Construction Group Co., Ltd. Fire Fighting Installation Branch	A company under common control of the parent company
Shanxi Tianlu Construction Labor Service Co., Ltd.	A company under common control of the parent company
Shanxi Fifth Construction Group Co., Ltd.	A company under common control of the parent company
Shanxi Fifth Construction Group Co., Ltd. Municipal Engineering Company	A company under common control of the parent company
Shanxi Xiaohe International Conference Centre Co., Ltd.	A company under common control of the parent company
Shanxi Xiaohe International Convention and Exhibition Centre Co., Ltd.	A company under common control of the parent company
Shanxi Xiaohe Construction Industry Co., Ltd.	A company under common control of the parent company
Shanxi Xiaohe New City Hotel Co., Ltd.	A company under common control of the parent company
Shanxi Xinyuan Intelligent Construction Co., Ltd.	A company under common control of the parent company
Shanxi Xu'an Real Estate Development Co., Ltd.	A company under common control of the parent company
Shanxi First Construction Group Co., Ltd. Ninth Engineering Company	A company under common control of the parent company
Shanxi First Construction Group Co., Ltd.	A company under common control of the parent company
Shanxi Park Construction and Development Group Co., Ltd.	A company under common control of the parent company

## Notes to the Financial Statements

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### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 4. Other Related Parties of the Company (continued)

Name of the Related Party	Relationship with the Company
Shanxi Zhida Construction Engineering Inspection Co., Ltd.	A company under common control of the parent company
Shaanxi Unisplendour Life Care Pharmaceutical Co., Ltd.	A company under common control of the parent company
Shaanxi Unisplendour Hi-tech Pharmaceutical Co., Ltd.	A company under common control of the parent company
Shanghai Jinjiantou Construction Investment Co., Ltd.	A company under common control of the parent company
Shenzhen Huakong Kaidi Investment Development Co., Ltd.	A company under common control of the parent company
Shenzhen Huakong Kaidi Investment Development Co., Ltd. Shanxi Branch	A company under common control of the parent company
Shenzhen Warranty Asset Management Co., Ltd.	A company under common control of the parent company
Tengye Steel Structure Co., Ltd.	A company under common control of the parent company
Tongfang Pharmaceutical Group Co., Ltd.	A company under common control of the parent company
Yuncheng Jinjian Thermal Power Co., Ltd.	A company under common control of the parent company
Yuncheng Central Heating Project Construction Command Unit	A company under common control of the parent company
Northern Copper Co., Ltd.	A company under common control of the de facto controller
Datong Coal Mining Group Beixinyao Coal Co., Ltd.	A company under common control of the de facto controller
Datong Coal Mining Group Building Materials Co., Ltd.	A company under common control of the de facto controller
Datong Coal Mining Group Shuozhou Thermal Power Co., Ltd.	A company under common control of the de facto controller
Datong Coal Mining Group Tongsheng Shu'erli Coal Co., Ltd.	A company under common control of the de facto controller
Gemeng Shanyin New Energy Co., Ltd.	A company under common control of the de facto controller
Henan Jinkai Chemical Investment Holding Group Co., Ltd.	A company under common control of the de facto controller
Hongchuang Financial Leasing Co., Ltd.	A company under common control of the de facto controller
Houma Beitong Copper Co., Ltd.	A company under common control of the de facto controller
Huguan Coal Sales Thermal Power Co., Ltd.	A company under common control of the de facto controller
Hubei Jinkong Gas Co., Ltd.	A company under common control of the de facto controller
Jinkong Electric Power Heshun New Energy Co., Ltd.	A company under common control of the de facto controller
Jinkong Electric Power Tashan Power Generation Shanxi Co., Ltd.	A company under common control of the de facto controller
Jinkong Electric Power Zezhou New Energy Co., Ltd.	A company under common control of the de facto controller
Jinkong Jinshi Chemical Group Co., Ltd.	A company under common control of the de facto controller
Jinneng Holding Power Group Clean Energy Co., Ltd.	A company under common control of the de facto controller
Jinneng Holding Power Group Yuxian Clean Energy Co., Ltd.	A company under common control of the de facto controller
Jinneng Holding Power Group Yuanqu Clean Energy Co., Ltd.	A company under common control of the de facto controller
Jinneng Holding Group Shanxi Engineering Consultation Co., Ltd.	A company under common control of the de facto controller



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 4. Other Related Parties of the Company (continued)

Name of the Related Party	Relationship with the Company
Jinneng Holding Coal Industry Group Xuangang Coal and Electricity Co., Ltd.	A company under common control of the de facto controller
Jinneng Holding Coal Industry Group Co., Ltd.	A company under common control of the de facto controller
Jinneng Holding Coal Industry Group Co., Ltd. Yungang Mine	A company under common control of the de facto controller
Jinneng Clean Energy Wind Power Co., Ltd.	A company under common control of the de facto controller
Jinneng China New Natural Gas Utilization Co., Ltd.	A company under common control of the de facto controller
Shanjiao Sales Rizhao Co., Ltd.	A company under common control of the de facto controller
Shanxi Anxin Construction Engineering Inspection Co., Ltd.	A company under common control of the de facto controller
Shanxi Beitong New Material Technology Co., Ltd.	A company under common control of the de facto controller
Shanxi Dacheng Expressway Co., Ltd.	A company under common control of the de facto controller
Shanxi Gemeng Zhongmei Clean Energy R&D Centre Co., Ltd.	A company under common control of the de facto controller
Shanxi Guangyuyuan Traditional Chinese Medicine Co., Ltd.	A company under common control of the de facto controller
Shanxi International Energy Group Hongguang Power Generation Co., Ltd.	A company under common control of the de facto controller
Shanxi International Energy Yuguang Coal and Electricity Co., Ltd.	A company under common control of the de facto controller
Shanxi Guokong Cultural and Creative Investment Development Co., Ltd.	A company under common control of the de facto controller
Shanxi Guoxin Kelai Natural Gas Co., Ltd.	A company under common control of the de facto controller
Shanxi Guoxin Logistics Co., Ltd.	A company under common control of the de facto controller
Shanxi Aviation Industry Group Co., Ltd.	A company under common control of the de facto controller
Shanxi Hepo Power Generation Co., Ltd.	A company under common control of the de facto controller
Shanxi Hongsha Construction Engineering Third Co., Ltd.	A company under common control of the de facto controller
Shanxi Hongsha Construction Engineering Co., Ltd.	A company under common control of the de facto controller
Shanxi Hongsheng Kejian Technology Co., Ltd.	A company under common control of the de facto controller
Shanxi Huashan Property Management Co., Ltd.	A company under common control of the de facto controller
Shanxi Huaxinjin Medicine Group Co., Ltd.	A company under common control of the de facto controller
Shanxi Huaxin Biomass Energy Development Co., Ltd.	A company under common control of the de facto controller
Shanxi Huaxin Zhonghaosheng Natural Gas Co., Ltd.	A company under common control of the de facto controller
Shanxi Jiasheng Tendering Agency Co., Ltd.	A company under common control of the de facto controller
Shanxi Jiaokong Ecological Environment Co., Ltd.	A company under common control of the de facto controller
Shanxi Transportation Industry Development Group Co., Ltd.	A company under common control of the de facto controller
Shanxi Transportation Investment and Financing Group Co., Ltd.	A company under common control of the de facto controller
Shanxi Coking Co., Ltd.	A company under common control of the de facto controller
Shanxi Coking Coal Group Tendering Co., Ltd.	A company under common control of the de facto controller
Shanxi Coking Coal Real Estate Co., Ltd.	A company under common control of the de facto controller
Shanxi Jindafeng Natural Gas Development Co., Ltd.	A company under common control of the de facto controller
Shanxi Jinju Coal Electrification Co., Ltd.	A company under common control of the de facto controller



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 4. Other Related Parties of the Company (continued)

Name of the Related Party	Relationship with the Company
Shanxi Jinyang Equipment Co., Ltd.	A company under common control of the de facto controller
Shanxi Jindong Xuneng Natural Gas Co., Ltd.	A company under common control of the de facto controller
Shanxi Jintou Basalt Development Co., Ltd.	A company under common control of the de facto controller
Shanxi Jinxing Aolong Building Materials Co., Ltd.	A company under common control of the de facto controller
Shanxi Jingtai Trading Co., Ltd.	A company under common control of the de facto controller
Shanxi Linfen Thermal Power Co., Ltd.	A company under common control of the de facto controller
Shanxi Liulin Electric Power Co., Ltd.	A company under common control of the de facto controller
Shanxi Luqiao Seventh Engineering Co., Ltd.	A company under common control of the de facto controller
Shanxi Luqiao Real Estate Development Co., Ltd.	A company under common control of the de facto controller
Shanxi Luqiao Group Traffic Mechanical and Electrical Engineering Co., Ltd.	A company under common control of the de facto controller
Shanxi Lu'an Solar Power Co., Ltd.	A company under common control of the de facto controller
Shanxi Lu'an Mining (Group) Co., Ltd.	A company under common control of the de facto controller
Shanxi Coalbed Methane (Natural Gas) Collection and Transportation Co., Ltd.	A company under common control of the de facto controller
Shanxi Coal Import and Export Group Hequ Jiuxian Open-pit Coal Co., Ltd.	A company under common control of the de facto controller
Shanxi Coal Import and Export Group Hequ Energy Co., Ltd.	A company under common control of the de facto controller
Shanxi Coal Import and Export Group Zuoquan Hongyuan Coal Co., Ltd.	A company under common control of the de facto controller
Shanxi Coal Transportation and Sales Group Shouyang Hengyuan Coal Co., Ltd.	A company under common control of the de facto controller
Shanxi Coal Sales Guodian Energy Co., Ltd.	A company under common control of the de facto controller
Shanxi Mingyuan Chemical Co., Ltd.	A company under common control of the de facto controller
Shanxi Pingshuo Coal Gangue Power Generation Co., Ltd.	A company under common control of the de facto controller
Shanxi Puqin Clean Energy Co., Ltd.	A company under common control of the de facto controller
Shanxi Qiguang Power Generation Co., Ltd.	A company under common control of the de facto controller
Shanxi Automobile Transport Group Yuncheng Automobile Transport Co., Ltd.	A company under common control of the de facto controller
Shanxi Ruiguang Thermal Power Co., Ltd.	A company under common control of the de facto controller
Shanxi Urban and Rural Planning and Design Institute Co., Ltd.	A company under common control of the de facto controller
Shanxi Expressway Group Co., Ltd.	A company under common control of the de facto controller
Shanxi Coke Group Yilong Coking Co., Ltd.	A company under common control of the de facto controller
Shanxi Coke Group Co., Ltd.	A company under common control of the de facto controller
Shanxi Gas Planning and Design Institute Co., Ltd.	A company under common control of the de facto controller
Shanxi Water Conservancy and Hydropower Engineering Construction Supervision Co., Ltd.	A company under common control of the de facto controller

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 4. Other Related Parties of the Company (continued)

Name of the Related Party	Relationship with the Company
Shanxi Water Conservancy and Hydropower Survey and Design Institute Co., Ltd.	A company under common control of the de facto controller
Shanxi Investment Group High-tech Internet of Things Park Co., Ltd.	A company under common control of the de facto controller
Shanxi Investment Group Taigu Anyang Senior Care Development Co., Ltd.	A company under common control of the de facto controller
Shanxi Water Control Equipment (Group) Manufacturing Co., Ltd.	A company under common control of the de facto controller
Shanxi Shuitou Biyuan Water Treatment Co., Ltd.	A company under common control of the de facto controller
Shanxi Taizhong Engineering Crane Co., Ltd.	A company under common control of the de facto controller
Shanxi Natural Gas Co., Ltd.	A company under common control of the de facto controller
Shanxi Tianshi Electricity Co., Ltd.	A company under common control of the de facto controller
Shanxi Wanjiashai Water Control Engineering Investment Co., Ltd.	A company under common control of the de facto controller
Shanxi Wanjiashai Water Control Network Development Co., Ltd.	A company under common control of the de facto controller
Shanxi Wanjiashai Yellow River Water Diversion Group Co., Ltd.	A company under common control of the de facto controller
Shanxi Xishan Huatong Cement Co., Ltd.	A company under common control of the de facto controller
Shanxi Xishan Jinxin Construction Co., Ltd.	A company under common control of the de facto controller
Shanxi Xishan Coal Gasification Co., Ltd.	A company under common control of the de facto controller
Shanxi Xinshenglian Real Estate Development Co., Ltd.	A company under common control of the de facto controller
Shanxi Xingneng Power Generation Co., Ltd.	A company under common control of the de facto controller
Shanxi Xingxin Safety Production Technology Service Co., Ltd.	A company under common control of the de facto controller
Shanxi Xinghuacun Fenjiu Distillery Co., Ltd.	A company under common control of the de facto controller
Shanxi Xinghuacun Fenjiu Group Co., Ltd.	A company under common control of the de facto controller
Shanxi Compressed Natural gas Group Jinzhong Co., Ltd.	A company under common control of the de facto controller
Shanxi Compressed Natural Gas Group Xinzhou Co., Ltd.	A company under common control of the de facto controller
Shanxi Yangmei Fengxi Quanji Energy Co., Ltd.	A company under common control of the de facto controller
Shanxi Yangmei Group Nianguo Coal Industry Co., Ltd.	A company under common control of the de facto controller
Shanxi Yangmei Sijiazhuang Coal Industry Co., Ltd.	A company under common control of the de facto controller
Shanxi Yaoguang Coal and Electricity Co., Ltd.	A company under common control of the de facto controller
Shanxi Zhongtiaoshan Mechanical and Electrical Equipment Co., Ltd.	A company under common control of the de facto controller
Shanghai Zhongtiaoshan Industrial Co., Ltd.	A company under common control of the de facto controller
Taihua Group Hongdong Huaxu Chemical Technology Co., Ltd.	A company under common control of the de facto controller
Taiyuan International Airport Co., Ltd.	A company under common control of the de facto controller
Taiyuan Engineering Tiancheng Electronic Information Technology Co., Ltd.	A company under common control of the de facto controller
Taiyuan Gas Installation Engineering Co., Ltd.	A company under common control of the de facto controller
Taiyuan Yi'anju Property Management Co., Ltd.	A company under common control of the de facto controller
Taiyuan Natural Gas Co., Ltd.	A company under common control of the de facto controller
Taiyuan Heavy Industry Co., Ltd.	A company under common control of the de facto controller
Tianji Coal Chemical Group Co., Ltd.	A company under common control of the de facto controller

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 4. Other Related Parties of the Company (continued)

Name of the Related Party	Relationship with the Company
Tongmei Zhangze (Shanghai) Financial Leasing Co., Ltd.	A company under common control of the de facto controller
Xinjiang Guotai Xinhua Chemical Co., Ltd.	A company under common control of the de facto controller
New Vision Changzhi Lighting Electrical Co., Ltd.	A company under common control of the de facto controller
Yangmei Group Taiyuan Chemical New Materials Co., Ltd.	A company under common control of the de facto controller
Yangquan Coal Industry Group Yuxian Chemical Co., Ltd.	A company under common control of the de facto controller
Changzhi Huaxin Liquefied Natural Gas Co., Ltd.	A company under common control of the de facto controller
WANG Limin	Former secretary of the Communist Party Committee, former chairman
REN Rui	Secretary of the Communist Party Committee, chairman, former deputy secretary of the Communist Party Committee, former general manager
ZHANG Yan	Deputy secretary of the Communist Party Committee, vice president, chairman of the labor's union
DU Jiang	Member of the Communist Party Committee, secretary of the Discipline Inspection Commission
MU Jianwei	Non-executive director
FENG Cheng	Non-executive director
ZHANG Hongjie	Non-executive director
XU Guanshi	Non-executive director
SHIN Chuck Yin	Independent non-executive director
GUO He	Independent non-executive director
WU Qiusheng	Independent non-executive director
WANG Jingming	Independent non-executive director
YUAN Yongfeng	Member of the Communist Party Committee, deputy general manager
WANG Jianjun	Member of the Communist Party Committee, deputy general manager, chief safety officer
LEUNG Bo	Member of the Communist Party Committee, chief engineer
ZHOU Saimei	Chief accountant
ZHANG Xiaodong	Secretary of the Board
NIU Xiaoping	Former member of the Communist Party Committee, former deputy general manager

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 5. Related Party Transactions

##### (1) Related party purchase and sales

##### ① Purchase of goods and receipt of services

Name of related party	Related party	Description of related party transaction	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Shanxi Jiantou Construction Industry Co., Ltd.	A company under common control of the parent company	Payment for materials	12,493	31,054
Shanxi Jiantou South East Jin Construction Industry Co., Ltd.	A company under common control of the parent company	Payment for materials	1,178	16,072
Shanxi Jiantou Supplies Trading Co., Ltd.	A company under common control of the parent company	Payment for materials	139,416	248,943
Shanxi Static Traffic Construction and Operation Co., Ltd.	A company under common control of the parent company	Payment for materials	—	35
Shanxi Liulin Electric Power Co., Ltd.	A company under common control of the de facto controller	Payment for materials	23,194	22,516
Shanxi Xingneng Power Generation Co., Ltd.	A company under common control of the de facto controller	Payment for materials	100,063	66,777
Shanghai Zhongtiaoshan Industrial Co., Ltd.	A company under common control of the de facto controller	Payment for materials	2,485	1,693
Shanxi Huaxia Construction Engineering Consulting Co., Ltd.	A company under common control of the parent company	Service fees	116	40
Shanxi Construction Financing Guarantee Co., Ltd.	A company under common control of the parent company	Service fees	24	54
Shanxi Construction Investment Group Co., Ltd.	Parent company	Service fees	439	—
Shanxi Building Materials Industry Design and Research Institute Co., Ltd.	A company under common control of the parent company	Service fees	—	30
Shanxi Architectural Research Institute Testing Centre Co., Ltd.	A company under common control of the parent company	Service fees	—	1
Taiyuan Xie'an Property Service Co., Ltd.	An associate	Service fees	—	1,013
Coal Industry Taiyuan Design and Research Institute Group Co., Ltd.	A company under common control of the parent company	Payment for construction	5,751	18,865
Shanxi Anxin Construction Engineering Inspection Co., Ltd.	A company under common control of the de facto controller	Payment for construction	—	378
Shanxi Guoxin Kelai Natural Gas Co., Ltd.	A company under common control of the de facto controller	Payment for construction	—	112
Shanxi Construction Investment Group Co., Ltd.	Parent company	Payment for construction	172	2,300
Shanxi Jiantou South East Jin Construction Industry Co., Ltd.	A company under common control of the parent company	Payment for construction	—	1,563
Shanxi Jinheng Construction Hoisting Equipment Installation Engineering Co., Ltd.	A company under common control of the parent company	Payment for construction	—	299
Shanxi Third Construction Group Co., Ltd.	A company under common control of the parent company	Payment for construction	127	—
Shanxi Architectural Design and Research Institute Co., Ltd.	A company under common control of the parent company	Payment for construction	17	264
Shanxi Jinta Hoisting Equipment Installation Engineering Co., Ltd.	A company under common control of the parent company	Payment for construction	—	20
Shanxi Survey Design Research Institute Co., Ltd.	A company under common control of the parent company	Payment for construction	320	57
Shanxi Fifth Construction Group Co., Ltd.	A company under common control of the parent company	Payment for construction	1,279	3,260
Shanxi First Construction Group Co., Ltd.	A company under common control of the parent company	Payment for construction	30	—
Shanxi Park Construction and Development Group Co., Ltd.	A company under common control of the parent company	Payment for construction	9,300	859
Taiyuan Natural Gas Co., Ltd.	A company under common control of the de facto controller	Payment for construction	—	66
Shanxi Tianlu Construction Labor Service Co., Ltd.	A company under common control of the parent company	Labor service fees	3,426	—

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 5. Related Party Transactions (continued)

##### (1) Related party purchase and sales (continued)

##### ① Purchase of goods and receipt of services (continued)

Name of related party	Related party	Description of related party transaction	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Shanxi Yu'an Hengchuang Construction Engineering Co., Ltd.	An associate	Labor service fees	389,496	167,310
Shanxi Construction Investment Group Co., Ltd.	Parent company	Payment for materials	1,700	5,053
Shanxi Jiantou Linfen Construction Industry Co., Ltd.	An associate	Payment for materials	3,479	—
Shanxi Jiantou Decoration Industry Co., Ltd.	A company under common control of the parent company	Payment for materials	1,810	1,009
Shanxi Jintou Basalt Development Co., Ltd.	A company under common control of the de facto controller	Payment for materials	252	—
Shanxi Jingtai Trading Co., Ltd.	A company under common control of the de facto controller	Payment for materials	—	1,279
Shanxi Lvjian Zhizao Decorative Aluminium Board Technology Co., Ltd.	A company under common control of the parent company	Payment for materials	48	—
Shanxi Wanjiazhai Water Control Network Development Co., Ltd.	A company under common control of the de facto controller	Payment for materials	66	—
Shanxi Transformation and Comprehensive Reform Demonstration Zone Shan'an Xiaohu Construction Industry Co., Ltd.	An associate	Payment for materials	—	76
Shanxi Construction Investment International Investment Co., Ltd.	An associate	Payment for materials	—	633
Shanxi Jinta Hoisting Equipment Installation Engineering Co., Ltd.	A company under common control of the parent company	Payment for materials	—	91
Jinneng Holding Group Shanxi Engineering Consultation Co., Ltd.	A company under common control of the de facto controller	Service fees	63	—
Shanxi Fourth Construction Group Co., Ltd.	A company under common control of the parent company	Payment for construction	—	47
Shanxi Construction Investment Group Co., Ltd.	Parent company	Labor service fees	—	2,000
Shanhai Jinjiantou Construction Investment Co., Ltd.	A company under common control of the parent company	Payment for materials	1,000	—
Taiyuan International Airport Co., Ltd.	A company under common control of the de facto controller	Payment for materials	47	—
Shanxi Survey Design Research Institute Co., Ltd.	A company under common control of the parent company	Service fees	186	—
Shanxi Investment Planning Institute Co., Ltd.	A company under common control of the parent company	Service fees	20	—
Shanxi Low Carbon Environmental Protection Industry Group Co., Ltd.	A company under common control of the parent company	Payment for construction	1,809	—
Shanxi Fourth Construction Group Co., Ltd. Design Business Department	A company under common control of the parent company	Payment for construction	371	—

Explanation: The pricing of related party transactions is determined through negotiation between both parties with reference to the market price.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 5. Related Party Transactions (continued)

##### (1) Related party purchase and sales (continued)

##### ② Sales of goods and rendering of services

Name of related party	Related party	Description of related party transaction	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Northern Copper Co., Ltd.	A company under common control of the de facto controller	Specialized industrial construction	1,928	4,513
Gemeng Shanyin New Energy Co., Ltd.	A company under common control of the de facto controller	Specialized industrial construction	183	511
Houma Beitong Copper Co., Ltd.	A company under common control of the de facto controller	Specialized industrial construction	18,495	27,719
Hubei Jinkong Gas Co., Ltd.	A company under common control of the de facto controller	Specialized industrial construction	2,609	13,901
Jinkong Electric Power Heshun New Energy Co., Ltd.	A company under common control of the de facto controller	Specialized industrial construction	9,975	20,153
Jinneng Holding Power Group Yuxian Clean Energy Co., Ltd.	A company under common control of the de facto controller	Specialized industrial construction	-8,900	6,395
Jinneng Holding Power Group Yuanqu Clean Energy Co., Ltd.	A company under common control of the de facto controller	Specialized industrial construction	20,257	4,479
Shanxi Second Construction Group Co., Ltd.	A company under common control of the parent company	Specialized industrial construction	—	15,150
Shanxi Aviation Industry Group Co., Ltd.	A company under common control of the de facto controller	Specialized industrial construction	37,399	78
Shanxi Hepo Power Generation Co., Ltd.	A company under common control of the de facto controller	Specialized industrial construction	5,182	4,507
Shanxi Construction Investment Group Co., Ltd.	Parent company	Specialized industrial construction	232,878	332,710
Shanxi Transportation Investment and Financing Group Co., Ltd.	A company under common control of the de facto controller	Specialized industrial construction	—	1,414
Shanxi Coking Co., Ltd.	A company under common control of the de facto controller	Specialized industrial construction	70	885
Shanxi Coal Import and Export Group Hequ Jiuxian Open-pit Coal Co., Ltd.	A company under common control of the de facto controller	Specialized industrial construction	—	2,820
Shanxi Puqin Clean Energy Co., Ltd.	A company under common control of the de facto controller	Specialized industrial construction	—	1,128
Shaanxi Unisplendour Hi-tech Pharmaceutical Co., Ltd.	A company under common control of the parent company	Specialized industrial construction	—	2,230
Yuncheng Jinjian Thermal Power Co., Ltd.	A company under common control of the parent company	Specialized industrial construction	—	50
Jinneng Clean Energy Wind Power Co., Ltd.	A company under common control of the de facto controller	Specialized industrial construction	-158	250
Shanxi Coalbed Methane (Natural Gas) Collection and Transportation Co., Ltd.	A company under common control of the de facto controller	Specialized industrial construction	—	223

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 5. Related Party Transactions (continued)

##### (1) Related party purchase and sales (continued)

##### ② Sales of goods and rendering of services (continued)

Name of related party	Related party	Description of related party transaction	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Shanxi Coal Import and Export Group Hequ Energy Co., Ltd.	A company under common control of the de facto controller	Specialized industrial construction	35,506	53,652
Shanxi Tianshi Electricity Co., Ltd.	A company under common control of the de facto controller	Specialized industrial construction	380	—
Jinneng Holding Coal Industry Group Co., Ltd. Yungang Mine	A company under common control of the de facto controller	Specialized auxiliary construction	—	7,556
Shanxi Construction Investment Group Co., Ltd.	Parent company	Specialized auxiliary construction	16,316	3,039
Shanxi Jiantou Supplies Trading Co., Ltd.	A company under common control of the parent company	Specialized auxiliary construction	—	246
Shanxi Luqiao Seventh Engineering Co., Ltd.	A company under common control of the de facto controller	Specialized auxiliary construction	28	1,794
Shanxi Lu'an Mining (Group) Co., Ltd.	A company under common control of the de facto controller	Specialized auxiliary construction	89	1,387
Shanxi Coal Import and Export Group Hequ Jiuxian Open-pit Coal Co., Ltd.	A company under common control of the de facto controller	Specialized auxiliary construction	—	1,193
Shanxi Xinshenglian Real Estate Development Co., Ltd.	A company under common control of the de facto controller	Specialized auxiliary construction	—	1,036
Zhangzi Jinjian Flood Control and Drainage Project Management Co., Ltd.	An associate	Specialized auxiliary construction	1,465	1,456
Taiyuan Natural Gas Co., Ltd.	A company under common control of the de facto controller	Specialized auxiliary construction	—	494
Shanxi Huaxin Zhonghaosheng Natural Gas Co., Ltd.	A company under common control of the de facto controller	Specialized auxiliary construction	—	1,000
Shanxi Jiantou Cloud Data Technology Co., Ltd.	An associate	Other business income	—	1
Jincheng Danhe Huada Real Estate Development Co., Ltd.	A company under common control of the parent company	Other construction	1,636	—
Shanxi International Energy Yuguang Coal and Electricity Co., Ltd.	A company under common control of the de facto controller	Other construction	233	3,395
Shanxi Aviation Industry Group Co., Ltd.	A company under common control of the de facto controller	Other construction	—	354
Shanxi Construction Engineering Group Co., Ltd.	A company under common control of the parent company	Other construction	2	880
Shanxi Coking Coal Real Estate Co., Ltd.	A company under common control of the de facto controller	Other construction	3,901	2,938



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 5. Related Party Transactions (continued)

##### (1) Related party purchase and sales (continued)

##### ② Sales of goods and rendering of services (continued)

Name of related party	Related party	Description of related party transaction	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Shanxi Luqiao Real Estate Development Co., Ltd.	A company under common control of the de facto controller	Other construction	2,683	7,938
Shanxi Nonggu Park Industrial Development Co., Ltd.	A company under common control of the parent company	Other construction	14,276	30
Shanxi Pingshuo Coal Gangue Power Generation Co., Ltd.	A company under common control of the de facto controller	Other construction	10,372	6,459
Shanxi Qiguang Power Generation Co., Ltd.	A company under common control of the de facto controller	Other construction	4,898	2,923
Shanxi Wanjiazhai Yellow River Water Diversion Group Co., Ltd.	A company under common control of the de facto controller	Other construction	380	1,225
Shanxi Eighth Construction Group Co., Ltd.	A company under common control of the parent company	Non-construction income	57	—
Shanxi Second Construction Group Co., Ltd.	A company under common control of the parent company	Non-construction income	2	—
Shanxi Hongsha Construction Engineering Third Co., Ltd.	A company under common control of the de facto controller	Non-construction income	1,731	7,193
Shanxi Mechanization Construction Group Co., Ltd.	A company under common control of the parent company	Non-construction income	1	—
Shanxi Construction Investment Group Co., Ltd.	Parent company	Non-construction income	8	—
Shanxi Jiantou Construction Industry Co., Ltd.	A company under common control of the parent company	Non-construction income	607	337
Shanxi Jiantou South East Jin Construction Industry Co., Ltd.	A company under common control of the parent company	Non-construction income	308	416
Shanxi Jiantou Supplies Trading Co., Ltd.	A company under common control of the parent company	Non-construction income	855	6,759
Shanxi Construction Engineering Group Co., Ltd.	A company under common control of the parent company	Non-construction income	2,909	1,896
Shanxi Ruiguang Thermal Power Co., Ltd.	A company under common control of the de facto controller	Non-construction income	—	1,853
Shanxi Fourth Construction Group Co., Ltd.	A company under common control of the parent company	Non-construction income	216	—
Shanxi Xiaohu Construction Industry Co., Ltd.	A company under common control of the parent company	Non-construction income	1,357	546
Shanxi Xingneng Power Generation Co., Ltd.	A company under common control of the de facto controller	Non-construction income	164,004	151,195
Shanxi First Construction Group Co., Ltd.	A company under common control of the parent company	Non-construction income	10	—
Shanxi Dacheng Expressway Co., Ltd.	A company under common control of the de facto controller	Non-construction income	—	75



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 5. Related Party Transactions (continued)

##### (1) Related party purchase and sales (continued)

##### ② Sales of goods and rendering of services (continued)

Name of related party	Related party	Description of related party transaction	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Shanxi International Energy Yuguang Coal and Electricity Co., Ltd.	A company under common control of the de facto controller	Non-construction income	78	—
Shanxi Sixth Construction Group Co., Ltd.	A company under common control of the parent company	Non-construction income	—	139
Shanxi Lu'an Solar Power Co., Ltd.	A company under common control of the de facto controller	Non-construction income	57	—
Shanxi Xinghuacun Fenjiu Distillery Co., Ltd.	A company under common control of the de facto controller	Non-construction income	4,945	1,521
Xinjiang Guotai Xinhua Chemical Co., Ltd.	A company under common control of the de facto controller	Non-construction income	—	330
Shanxi Fifth Construction Group Co., Ltd.	A company under common control of the parent company	Specialized industrial construction	203	—
Shanxi Xishan Jinxin Construction Co., Ltd.	A company under common control of the de facto controller	Specialized industrial construction	197	—
Shanxi Linfen Thermal Power Co., Ltd.	A company under common control of the de facto controller	Specialized auxiliary construction	-859	—
Shanxi Transformation and Comprehensive Reform Demonstration Zone Shan'an Xiaohu Construction Industry Co., Ltd.	An associate	Specialized auxiliary construction	29	—
Henan Jinkai Chemical Investment Holding Group Co., Ltd.	A company under common control of the de facto controller	Specialized industrial construction	14,336	—
Linfen Shan'an Lide Construction Solid Waste Comprehensive Utilization Co., Ltd.	An associate	Non-construction income	377	—
Shanxi Taizhong Engineering Crane Co., Ltd.	A company under common control of the de facto controller	Non-construction income	42	—

Explanation: The pricing of related party transactions is determined through negotiation between both parties with reference to the market price.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 5. Related Party Transactions (continued)

##### (2) Related party leases

##### ① The Company as a lessor

Name of lessee	Type of leased assets	Lease income recognized in the current period	Lease income recognized in the last period
Shanxi Construction Investment Group Co., Ltd.	Buildings	6,700	3,985
Shanxi First Construction Group Co., Ltd.	Buildings	—	5
Shenzhen Huakong Kaidi Investment Development Co., Ltd. Shanxi Branch	Buildings	—	120
Shenzhen Warranty Asset Management Co., Ltd.	Buildings	167	—
Taiyuan Xie'an Property Service Co., Ltd.	Buildings	—	95
Tongfang Pharmaceutical Group Co., Ltd.	Buildings	—	29
Shanxi Construction Engineering Group Co., Ltd.	Buildings	—	48
Shanxi Jiangong Construction Engineering Inspection Co., Ltd.	Buildings	38	—
Shanxi Fourth Construction Group Co., Ltd.	Equipment	—	44
Shanxi Yu'an Hengchuang Construction Engineering Co., Ltd.	Equipment	231	—

Explanation: The pricing of related party transactions is determined through negotiation between both parties with reference to the market price.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 5. Related Party Transactions (continued)

##### (2) Related party leases (continued)

###### ② The Company as a lessee

Name of lessee	Type of leased assets	Lease income recognized in the current period	Lease income recognized in the last period
Shanxi Construction Investment Group Co., Ltd.	Buildings	—	35
Shanxi Jinta Hoisting Equipment Installation Engineering Co., Ltd.	Construction machinery	—	360
Shanxi Construction Equipment Tools Leasing Co., Ltd.	Construction machinery	—	20
Shanxi Yu'an Hengchuang Construction Engineering Co., Ltd.	Construction machinery	245	—

Explanation: The pricing of related party transactions is determined through negotiation between both parties with reference to the market price.

Additions of right-of-use assets during the year in which the Company is a lessee:

Nil.

Interest expenses on lease liabilities borne during the year by the Company as a lessee:

Nil.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 5. Related Party Transactions (continued)

##### (3) Related party guarantees

##### ① The Company as a guarantor

Guarantee	Guarantee amount	Guarantee commencement date	Guarantee due date	Whether the guarantee has been fulfilled
Xinjiang Shan'an Waterwork Management Co., Ltd.	347,410	June 27, 2019	June 23, 2037	No
Xiyang Shan'an Comprehensive Pipeline Construction Development Co., Ltd.	325,428	June 20, 2019	June 17, 2039	No
Jiexiu Shan'an Waterwork Construction Development Co., Ltd.	274,330	May 31, 2019	February 15, 2039	No
Qinshui Shan'an Culture and Sport Construction Development Co., Ltd.	231,000	October 18, 2019	January 20, 2039	No
Liulin Shan'an Bluesky Heating Co., Ltd.	231,000	September 24, 2019	September 23, 2047	No
Qinshui Shan'an Construction Development Co., Ltd.	479,172	January 19, 2023	January 19, 2040	No
Huguan Shan'an Two Roads Three Streets Construction Development Co., Ltd.	129,600	October 29, 2018	October 29, 2035	No
Shanxi Shan'an Yunneng Environmental Technology Co., Ltd.	120,684	November 8, 2023	November 8, 2029	No
Xiangyuan Shan'an Road and Bridge Construction Development Co., Ltd.	97,000	May 31, 2021	May 30, 2032	No
Lingchuan Shan'an Construction Development Co., Ltd.	82,800	October 23, 2018	October 30, 2033	No
Gaoping City Shan'an Five Roads One River Construction Development Co., Ltd.	80,300	August 15, 2019	July 8, 2033	No
Linfen Shan'an Waterwork Development Co., Ltd.	54,375	October 28, 2021	October 27, 2036	No
Jinzhong Shan'an Lide Solid Waste Utilization Technology Co., Ltd.	22,186	August 24, 2024	June 24, 2034	No
Shanxi Jianfa Comprehensive Energy Development Co., Ltd.	5,491	May 11, 2023	May 9, 2033	No
Shanxi Shuitou Biyuan Water Treatment Co., Ltd.	1,628	February 1, 2019	January 31, 2035	No
<b>Total</b>	<b>2,482,404</b>			

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 5. Related Party Transactions (continued)

##### (3) Related party guarantees (continued)

- ② The Company as a guarantee  
Nil.

##### (4) Borrowings from and to related parties

Related party	Borrowing amount	Commencement date	Due date	Explanation
From:				
Jinjian International Finance Lease (Tianjin) Co., Ltd.	6,591	2025/4/22	2028/4/22	Long-term borrowings
Jinjian International Finance Lease (Tianjin) Co., Ltd.	14,486	2025/6/30	2033/6/30	Long-term borrowings
To:				
Jinjian International Commercial Factoring (Zhuhai Hengqin) Co., Ltd.	191,695	2024/4/26	2025/4/25	Short-term borrowings
Jinjian International Commercial Factoring (Zhuhai Hengqin) Co., Ltd.	362	2024/4/26	2025/4/24	Short-term borrowings

##### (5) Other transactions

Related party	Closing balance	Commencement date	Due date	Explanation
Shanxi Jiantou International Investment Co., Ltd.	115	2023/3/16	2025/9/15	Interest income
Jinjian International Finance Lease (Tianjin) Co., Ltd.	137	2025/3/6	2027/12/6	Interest expenses
Jinjian International Commercial Factoring (Zhuhai Hengqin) Co., Ltd.	5,253	2024/4/26	2025/6/22	Interest expenses
Tongmei Zhangze (Shanghai) Financial Leasing Co., Ltd.	1,255	2023/10/24	2026/10/24	Interest expenses
Hongchuang Financial Leasing Co., Ltd.	1,298	2022/12/8	2026/12/8	Interest expenses

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 6. Receivables from and Payables to Related Parties

##### (1) Receivables from related parties

Item	Name of related party	Related party	June 30, 2025 (unaudited)		December 31, 2024	
			Balance	Bad debt provision	Balance	Bad debt provision
Trade receivables	Datong Coal Mining Group Beixinyao Coal Co., Ltd.	A company under common control of the de facto controller	2,633	114	2,633	218
Trade receivables	Datong Coal Mining Group Building Materials Co., Ltd.	A company under common control of the de facto controller	22,177	427	6,402	468
Trade receivables	Houma Beitong Copper Co., Ltd.	A company under common control of the de facto controller	1,785	24	10,782	142
Trade receivables	Hubei Jinkong Gas Co., Ltd.	A company under common control of the de facto controller	7,802	193	17,952	249
Trade receivables	Jincheng Danhe Huada Real Estate Development Co., Ltd.	A company under common control of the parent company	30,840	2,032	38,598	1,621
Trade receivables	Jinkong Electric Power Heshun New Energy Co., Ltd.	A company under common control of the de facto controller	13,867	190	3,767	50
Trade receivables	Jinneng Holding Power Group Yuxian Clean Energy Co., Ltd.	A company under common control of the de facto controller	7,475	102	24,079	317
Trade receivables	Jinneng Holding Power Group Yuanqu Clean Energy Co., Ltd.	A company under common control of the de facto controller	8,290	114	—	—
Trade receivables	Jinneng Holding Coal Industry Group Co., Ltd.	A company under common control of the de facto controller	—	—	17,172	703
Trade receivables	Shanxi Eighth Construction Group Co., Ltd.	A company under common control of the parent company	4,922	313	5,833	198
Trade receivables	Shanxi Beitong New Material Technology Co., Ltd.	A company under common control of the de facto controller	4,923	67	5,438	72
Trade receivables	Shanxi Second Construction Group Co., Ltd.	A company under common control of the parent company	17,890	2,154	19,897	1,638
Trade receivables	Shanxi International Energy Yuguang Coal and Electricity Co., Ltd.	A company under common control of the de facto controller	5,032	107	4,948	77
Trade receivables	Shanxi Guokong Cultural and Creative Investment Development Co., Ltd.	A company under common control of the de facto controller	15,586	4,832	15,224	2,644
Trade receivables	Shanxi Guoxin Logistics Co., Ltd.	A company under common control of the de facto controller	1,750	227	784	57
Trade receivables	Shanxi Aviation Industry Group Co., Ltd.	A company under common control of the de facto controller	2,382	49	839	11
Trade receivables	Shanxi Mechanization Construction Group Co., Ltd.	A company under common control of the parent company	9,763	497	10,067	292
Trade receivables	Shanxi Jianfa Comprehensive Energy Development Co., Ltd.	An associate	694	10	—	—
Trade receivables	Shanxi Construction Investment Group Co., Ltd.	Parent company	158,757	4,164	27,425	2,512
Trade receivables	Shanxi Jiantou Construction Industry Co., Ltd.	A company under common control of the parent company	659	60	679	54

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 6. Receivables from and Payables to Related Parties (continued)

##### (1) Receivables from related parties (continued)

Item	Name of related party	Related party	June 30, 2025 (unaudited)		December 31, 2024	
			Balance	Bad debt provision	Balance	Bad debt provision
Trade receivables	Shanxi Jiantou South East Jin Construction Industry Co., Ltd.	A company under common control of the parent company	9,302	488	9,843	409
Trade receivables	Shanxi Jiantou Supplies Trading Co., Ltd.	A company under common control of the parent company	134	9	14,495	276
Trade receivables	Shanxi Construction Engineering Group Co., Ltd.	A company under common control of the parent company	1,512	100	1,512	53
Trade receivables	Shanxi Construction Engineering Group Co., Ltd. Design Institute	A company under common control of the parent company	2,510	41	2,550	34
Trade receivables	Shanxi Jiaokong Ecological Environment Co., Ltd.	A company under common control of the de facto controller	441	15	1,399	19
Trade receivables	Shanxi Jinju Coal Electrification Co., Ltd.	A company under common control of the de facto controller	—	—	576	38
Trade receivables	Shanxi Jinyang Equipment Co., Ltd.	A company under common control of the de facto controller	743	89	1,343	158
Trade receivables	Shanxi Jinxing Aolong Building Materials Co., Ltd.	A company under common control of the de facto controller	12,236	639	12,236	308
Trade receivables	Shanxi Linfen Thermal Power Co., Ltd.	A company under common control of the de facto controller	—	—	859	859
Trade receivables	Shanxi Luqiao Real Estate Development Co., Ltd.	A company under common control of the de facto controller	12,683	294	11,683	154
Trade receivables	Shanxi Luqiao Group Traffic Mechanical and Electrical Engineering Co., Ltd	A company under common control of the de facto controller	5,140	669	5,140	375
Trade receivables	Shanxi Coalbed Methane (Natural Gas) Collection and Transportation Co., Ltd.	A company under common control of the de facto controller	2,842	2,842	3,009	2,879
Trade receivables	Shanxi Coal Import and Export Group Hequ Jiuxian Open-pit Coal Co., Ltd.	A company under common control of the de facto controller	143	5	1,051	15
Trade receivables	Shanxi Coal Import and Export Group Zuoquan Hongyuan Coal Co., Ltd.	A company under common control of the de facto controller	2,183	2,183	2,183	2,183
Trade receivables	Shanxi Mingyuan Chemical Co., Ltd.	A company under common control of the de facto controller	72	72	72	72
Trade receivables	Shanxi Puqin Clean Energy Co., Ltd.	A company under common control of the de facto controller	8,810	292	8,810	309
Trade receivables	Shanxi Third Construction Group Co., Ltd.	A company under common control of the parent company	1,033	166	1,585	168
Trade receivables	Shanxi Coke Group Co., Ltd.	A company under common control of the de facto controller	349	12	399	14
Trade receivables	Shanxi Investment Group High-tech Internet of Things Park Co., Ltd.	A company under common control of the de facto controller	1,035	34	1,035	140

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 6. Receivables from and Payables to Related Parties (continued)

##### (1) Receivables from related parties (continued)

Item	Name of related party	Related party	June 30, 2025 (unaudited)		December 31, 2024	
			Balance	Bad debt provision	Balance	Bad debt provision
Trade receivables	Shanxi Investment Group Taigu Anyang Senior Care Development Co., Ltd.	A company under common control of the de facto controller	—	—	87	5
Trade receivables	Shanxi Shuitou Biyuan Water Treatment Co., Ltd.	A company under common control of the de facto controller	2,375	303	2,375	170
Trade receivables	Shanxi Fourth Construction Group Co., Ltd.	A company under common control of the parent company	8,985	858	18,997	1,050
Trade receivables	Shanxi Natural Gas Co., Ltd.	A company under common control of the de facto controller	2,432	2,432	2,432	2,017
Trade receivables	Shanxi Fifth Construction Group Co., Ltd.	A company under common control of the parent company	1,360	41	2,700	87
Trade receivables	Shanxi Xishan Huatong Cement Co., Ltd.	A company under common control of the de facto controller	589	589	589	589
Trade receivables	Shanxi Xishan Coal Gasification Co., Ltd.	A company under common control of the de facto controller	5,170	825	5,170	1,148
Trade receivables	Shanxi Xiaohe International Conference Centre Co., Ltd.	A company under common control of the parent company	—	—	28	4
Trade receivables	Shanxi Xiaohe International Convention and Exhibition Centre Co., Ltd.	A company under common control of the parent company	—	—	57	8
Trade receivables	Shanxi Xiaohe Construction Industry Co., Ltd.	A company under common control of the parent company	1,821	56	2,090	28
Trade receivables	Shanxi Xiaohe New City Hotel Co., Ltd.	A company under common control of the parent company	2,227	147	2,427	87
Trade receivables	Shanxi Xingneng Power Generation Co., Ltd.	A company under common control of the de facto controller	242,134	4,553	222,512	2,932
Trade receivables	Shanxi Xinghuacun Fenjiu Distillery Co., Ltd.	A company under common control of the de facto controller	3,134	408	3,134	229
Trade receivables	Shanxi Compressed Natural Gas Group Xinzhou Co., Ltd.	A company under common control of the de facto controller	611	11	152	5
Trade receivables	Shanxi Yangmei Group Niangou Coal Industry Co., Ltd.	A company under common control of the de facto controller	11,821	1,538	11,821	863
Trade receivables	Shanxi Yangmei Sijiazhuang Coal Industry Co., Ltd.	A company under common control of the de facto controller	341	5	341	4
Trade receivables	Shanxi Yaoguang Coal and Electricity Co., Ltd.	A company under common control of the de facto controller	647	21	647	23
Trade receivables	Shanxi First Construction Group Co., Ltd.	A company under common control of the parent company	6,127	431	9,347	395
Trade receivables	Shanxi Yu'an Hengchuang Construction Engineering Co., Ltd.	An associate	7,798	597	10,158	510
Trade receivables	Shanxi Zhongtiaoshan Mechanical and Electrical Equipment Co., Ltd.	A company under common control of the de facto controller	66	2	66	1



# Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

### 6. Receivables from and Payables to Related Parties (continued)

#### (1) Receivables from related parties (continued)

Item	Name of related party	Related party	June 30, 2025 (unaudited)		December 31, 2024	
			Balance	Bad debt provision	Balance	Bad debt provision
Trade receivables	Shanxi Transformation and Comprehensive Reform Demonstration Zone Shan'an Xiaohu Construction Industry Co., Ltd.	An associate	39,524	4,180	41,401	2,327
Trade receivables	Shaanxi Unisplendour Life Care Pharmaceutical Co., Ltd.	A company under common control of the parent company	12,978	676	13,258	341
Trade receivables	Taihua Group Hongdong Huaxu Chemical Technology Co., Ltd.	A company under common control of the de facto controller	4,715	861	4,715	371
Trade receivables	Taiyuan Yi'anju Property Management Co., Ltd.	A company under common control of the de facto controller	—	—	161	12
Trade receivables	Taiyuan Natural Gas Co., Ltd.	A company under common control of the de facto controller	1,756	228	1,756	128
Trade receivables	Taiyuan Heavy Industry Co., Ltd.	A company under common control of the de facto controller	10,831	360	10,831	379
Trade receivables	Tianji Coal Chemical Group Co., Ltd.	A company under common control of the de facto controller	102	4	102	4
Trade receivables	Yangquan Coal Industry Group Yuxian Chemical Co., Ltd.	A company under common control of the de facto controller	25,641	416	1,233	43
Trade receivables	Shanjiao Sales Rizhao Co., Ltd.	A company under common control of the de facto controller	—	—	1,254	44
Trade receivables	Yangquan Coal Industry Group Yuxian Chemical Co., Ltd.	A company under common control of the de facto controller	3,383	3,383	3,383	3,383
Trade receivables	Yuncheng Jinjian Thermal Power Co., Ltd.	A company under common control of the parent company	10,683	221	12,408	205
Trade receivables	Changzhi Huaxin Liquefied Natural Gas Co., Ltd.	A company under common control of the de facto controller	—	—	60	2
Trade receivables	Beijing Guangheng Real Estate Development Co., Ltd.	A company under common control of the parent company	1,926	1,926	1,926	1,926
Trade receivables	Shanxi Hongchangsheng Material Supply Chain Management Co., Ltd.	A company under common control of the parent company	557	18	567	7
Trade receivables	Shanxi Hongsha Construction Engineering Third Co., Ltd.	A company under common control of the de facto controller	5,856	251	4,712	149
Trade receivables	Shanxi Huaxin Biomass Energy Development Co., Ltd.	A company under common control of the de facto controller	—	—	26	2
Trade receivables	Shanxi Jiantou City Operation Group Co., Ltd.	A company under common control of the parent company	—	—	81	1
Trade receivables	Shanxi Coking Co., Ltd.	A company under common control of the de facto controller	—	—	2,157	28
Trade receivables	Shanxi Coking Coal Real Estate Co., Ltd.	A company under common control of the de facto controller	—	—	583	8
Trade receivables	Zhangzi Jinjian Flood Control and Drainage Project Management Co., Ltd.	An associate	3,845	53	1,826	24

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 6. Receivables from and Payables to Related Parties (continued)

##### (1) Receivables from related parties (continued)

Item	Name of related party	Related party	June 30, 2025 (unaudited)		December 31, 2024	
			Balance	Bad debt provision	Balance	Bad debt provision
Trade receivables	Jinneng Clean Energy Wind Power Co., Ltd.	A company under common control of the de facto controller	2,325	32	313	4
Trade receivables	Shanxi Second Construction Group Co., Ltd. Comprehensive Reform Demonstration Zone Branch	A company under common control of the parent company	4,794	315	5,769	228
Trade receivables	Shanxi Construction Engineering Group Co., Ltd. Fourth Engineering Company	A company under common control of the parent company	432	56	432	32
Trade receivables	Shanxi Luqiao Seventh Engineering Co., Ltd.	A company under common control of the de facto controller	288	9	260	3
Trade receivables	Shanxi Construction Decoration Engineering Co., Ltd. First Branch	A company under common control of the parent company	1	—	198	3
Trade receivables	Shanxi Water Control Equipment Manufacturing (Group) Co., Ltd.	A company under common control of the de facto controller	50	7	50	7
Trade receivables	Shanxi Fourth Construction Group Co., Ltd. Fire Fighting Installation Branch	A company under common control of the parent company	283	5	39	1
Trade receivables	Shanxi Fifth Construction Group Co., Ltd. Municipal Engineering Company	A company under common control of the parent company	53	2	103	1
Trade receivables	Shanxi Xinyuan Intelligent Construction Co., Ltd.	A company under common control of the parent company	—	—	778	10
Trade receivables	Shanxi Xinghuacun Fenjiu Group Co., Ltd.	A company under common control of the de facto controller	—	—	3,253	43
Trade receivables	Shanxi Aobo Construction Engineering Co., Ltd.	A company under common control of the parent company	125	8	543	19
Trade receivables	Linfen Shan'an Lide Construction Solid Waste Comprehensive Utilization Co., Ltd.	An associate	400	5	—	—
Trade receivables	Shanxi Jiantou Changzhi Construction Industry Co., Ltd.	A company under common control of the parent company	185	3	—	—
Trade receivables	Shanxi Jiantou Equipment Manufacturing Co., Ltd.	A company under common control of the parent company	224	3	—	—
Trade receivables	Shanxi Lvjian Housing Technology Co., Ltd.	A company under common control of the parent company	403	6	—	—
Trade receivables	Shanxi Coal Import and Export Group Hequ Energy Co., Ltd.	A company under common control of the de facto controller	2,947	40	—	—
Trade receivables	Shanxi Nonggu Park Industrial Development Co., Ltd.	A company under common control of the parent company	15,503	212	—	—
Trade receivables	Shanxi Survey Design Research Institute Co., Ltd.	A company under common control of the parent company	29	—	—	—
Trade receivables	Shanxi Fourth Construction Group Co., Ltd. Second Branch	A company under common control of the parent company	2,283	152	—	—
Trade receivables	Shanxi Fourth Construction Group Co., Ltd. Sixth Branch	A company under common control of the parent company	613	64	—	—

# Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

### 6. Receivables from and Payables to Related Parties (continued)

#### (1) Receivables from related parties (continued)

Item	Name of related party	Related party	June 30, 2025 (unaudited)		December 31, 2024	
			Balance	Bad debt provision	Balance	Bad debt provision
Trade receivables	Shanxi Fourth Construction Group Co., Ltd. Eleventh Branch	A company under common control of the parent company	2,806	283	—	—
Trade receivables	Shanxi Fourth Construction Group Co., Ltd. Fifth Branch	A company under common control of the parent company	1,227	143	—	—
Trade receivables	Shanxi Fourth Construction Group Co., Ltd. Jindong Branch	A company under common control of the parent company	2,733	356	—	—
Trade receivables	Shanxi Tianshi Electricity Co., Ltd.	A company under common control of the de facto controller	49	1	—	—
Trade receivables	Shanxi Wanjiashai Yellow River Water Diversion Group Co., Ltd.	A company under common control of the de facto controller	42	1	—	—
Trade receivables	Shanxi First Construction Group Co., Ltd. Ninth Engineering Company	A company under common control of the parent company	1,926	251	—	—
Other receivables	Jincheng Danhe Huada Real Estate Development Co., Ltd.	A company under control of the same parent company	16,971	930	—	—
Other receivables	Jincheng Danhe Huasheng Real Estate Development Co., Ltd.	A company under control of the same parent company	17,468	957	—	—
Other receivables	Jinkong Jinshi Chemical Group Co., Ltd.	A company under common control of the de facto controller	1,699	1,699	1,699	1,699
Other receivables	Shanxi Second Construction Group Co., Ltd.	A company under control of the same parent company	14,250	426	—	—
Other receivables	Shanxi Huashan Property Management Co., Ltd.	A company under common control of the de facto controller	113	113	113	113
Other receivables	Shanxi Construction Investment Group Co., Ltd.	Parent company	97,707	3,420	517,342	14,363
Other receivables	Shanxi Jiantou City Operation Group Co., Ltd.	A company under control of the same parent company	5,772	115	—	—
Other receivables	Shanxi Jiantou International Investment Co., Ltd.	An associate	5,317	164	—	—
Other receivables	Shanxi Jiantou Construction Industry Co., Ltd.	A company under control of the same parent company	15,390	369	—	—
Other receivables	Shanxi Jiantou South East Jin Construction Industry Co., Ltd.	A company under control of the same parent company	200,000	2,580	—	—
Other receivables	Shanxi Coal Sales Guodian Energy Co., Ltd.	A company under common control of the de facto controller	74	1	74	1
Other receivables	Shanxi Natural Gas Co., Ltd.	A company under common control of the de facto controller	—	—	1,193	21
Other receivables	Shanxi Xiaohu Construction Industry Co., Ltd.	A company under control of the same parent company	149	7	—	—
Other receivables	Shanxi Xu'an Real Estate Development Co., Ltd.	A company under control of the same parent company	125,160	1,699	—	—
Other receivables	Shanxi Yu'an Hengchuang Construction Engineering Co., Ltd.	An associate	6,110	394	4,436	173

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 6. Receivables from and Payables to Related Parties (continued)

##### (1) Receivables from related parties (continued)

Item	Name of related party	Related party	June 30, 2025 (unaudited)		December 31, 2024	
			Balance	Bad debt provision	Balance	Bad debt provision
Other receivables	Yuncheng Central Heating Project Construction Command Unit	A company under control of the same parent company	29,687	594	—	—
Other receivables	Hongchuang Financial Leasing Co., Ltd.	A company under common control of the de facto controller	3,000	164	3,000	104
Other receivables	Hubei Jinkong Gas Co., Ltd.	A company under common control of the de facto controller	1	—	51	—
Other receivables	Shanxi Gemeng Zhongmei Clean Energy R&D Centre Co., Ltd.	A company under common control of the de facto controller	6	—	100	1
Other receivables	Shanxi Xishan Coal Gasification Co., Ltd.	A company under common control of the de facto controller	10	10	10	10
Other receivables	Shanxi Xinghuacun Fenjiu Distillery Co., Ltd.	A company under common control of the de facto controller	80	80	80	80
Other receivables	Taiyuan Heavy Industry Co., Ltd.	A company under common control of the de facto controller	—	—	5	—
Other receivables	Shanxi Hongsha Construction Engineering Third Co., Ltd.	A company under common control of the de facto controller	—	—	5	—
Other receivables	Shanxi Jiasheng Tendering Agency Co., Ltd.	A company under common control of the de facto controller	—	—	50	—
Other receivables	Shanxi Coking Co., Ltd.	A company under common control of the de facto controller	—	—	10	—
Other receivables	Shanxi Coking Coal Group Tendering Co., Ltd.	A company under common control of the de facto controller	250	3	250	2
Other receivables	Jinzhong New Natural Gas Utilization Co., Ltd.	A company under common control of the de facto controller	1,193	15	—	—
Other receivables	Shanxi Transportation Industry Development Group Co., Ltd.	A company under common control of the de facto controller	100	1	—	—
Other receivables	Shanxi Provincial Survey and Design Institute Co., Ltd.	A company under common control of the parent company	136	2	—	—
Other receivables	Shanxi Fourth Construction Group Co., Ltd.	A company under common control of the parent company	50	2	—	—
Contract Assets	Datong Coal Mining Group Building Materials Co., Ltd.	A company under common control of the de facto controller	198	3	9,318	123
Contract Assets	Houma Beitong Copper Co., Ltd.	A company under common control of the de facto controller	44,677	612	17,913	236
Contract Assets	Hubei Jinkong Gas Co., Ltd.	A company under common control of the de facto controller	6,087	83	7,916	104
Contract Assets	Jincheng Danhe Huada Real Estate Development Co., Ltd.	A company under common control of the parent company	47,668	653	46,032	606
Contract Assets	Jinkong Electric Power Heshun New Energy Co., Ltd.	A company under common control of the de facto controller	21,057	288	37,705	497

# Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

### 6. Receivables from and Payables to Related Parties (continued)

#### (1) Receivables from related parties (continued)

Item	Name of related party	Related party	June 30, 2025 (unaudited)		December 31, 2024	
			Balance	Bad debt provision	Balance	Bad debt provision
Contract Assets	Jinkong Electric Power Zezhou New Energy Co., Ltd.	A company under common control of the de facto controller	362	5	362	5
Contract Assets	Jinneng Holding Power Group Yuxian Clean Energy Co., Ltd.	A company under common control of the de facto controller	3,436	47	2,624	35
Contract Assets	Jinneng Holding Power Group Yuanqu Clean Energy Co., Ltd.	A company under common control of the de facto controller	25,594	351	70,833	933
Contract Assets	Shanxi Beitong New Material Technology Co., Ltd.	A company under common control of the de facto controller	26,249	360	27,848	367
Contract Assets	Shanxi Second Construction Group Co., Ltd.	A company under common control of the parent company	2,844	39	2,844	37
Contract Assets	Shanxi International Energy Yuguang Coal and Electricity Co., Ltd.	A company under common control of the de facto controller	322	4	427	6
Contract Assets	Shanxi Guokong Cultural and Creative Investment Development Co., Ltd.	A company under common control of the de facto controller	—	—	38	—
Contract Assets	Shanxi Aviation Industry Group Co., Ltd	A company under common control of the de facto controller	79	1	24	—
Contract Assets	Shanxi Jianfa Comprehensive Energy Development Co., Ltd.	An associate	—	—	3,447	45
Contract Assets	Shanxi Construction Investment Group Co., Ltd.	Parent company	195,845	2,683	175,472	2,312
Contract Assets	Shanxi Jiantou Construction Industry Co., Ltd.	A company under common control of the parent company	60,994	836	60,994	804
Contract Assets	Shanxi Jiantou South East Jin Construction Industry Co., Ltd.	A company under common control of the parent company	283	4	282	4
Contract Assets	Shanxi Construction Engineering Group Co., Ltd.	A company under common control of the parent company	7,661	105	7,659	101
Contract Assets	Shanxi Jiaokong Ecological Environment Co., Ltd.	A company under common control of the de facto controller	618	8	618	8
Contract Assets	Shanxi Transportation Investment and Financing Group Co., Ltd.	A company under common control of the de facto controller	—	—	54	1
Contract Assets	Shanxi Coking Co., Ltd.	A company under common control of the de facto controller	818	11	3,254	43
Contract Assets	Shanxi Jindong Xuneng Natural Gas Co., Ltd.	A company under common control of the de facto controller	1	—	1	—
Contract Assets	Shanxi Luqiao Seventh Engineering Co., Ltd.	A company under common control of the de facto controller	123	2	123	2
Contract Assets	Shanxi Luqiao Real Estate Development Co., Ltd.	A company under common control of the de facto controller	998	14	3,623	48
Contract Assets	Shanxi Luqiao Group Traffic Mechanical and Electrical Engineering Co., Ltd	A company under common control of the de facto controller	15,019	206	15,019	198

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 6. Receivables from and Payables to Related Parties (continued)

##### (1) Receivables from related parties (continued)

Item	Name of related party	Related party	June 30, 2025 (unaudited)		December 31, 2024	
			Balance	Bad debt provision	Balance	Bad debt provision
Contract Assets	Shanxi Coalbed Methane (Natural Gas) Collection and Transportation Co., Ltd.	A company under common control of the de facto controller	503	7	347	5
Contract Assets	Shanxi Coal Import and Export Group Zuoquan Hongyuan Coal Co., Ltd.	A company under common control of the de facto controller	938	13	938	12
Contract Assets	Shanxi Coal Transportation and Sales Group Shouyang Hengyuan Coal Co., Ltd.	A company under common control of the de facto controller	294	4	294	4
Contract Assets	Shanxi Nonggu Park Industrial Development Co., Ltd.	A company under common control of the parent company	9,748	134	9,748	128
Contract Assets	Shanxi Puqin Clean Energy Co., Ltd.	A company under common control of the de facto controller	2,903	40	2,903	38
Contract Assets	Shanxi Qiguang Power Generation Co., Ltd.	A company under common control of the de facto controller	865	12	627	8
Contract Assets	Shanxi Ruiguang Thermal Power Co., Ltd.	A company under common control of the de facto controller	349	5	173	2
Contract Assets	Shanxi Investment Group Taigu Anyang Senior Care Development Co., Ltd.	A company under common control of the de facto controller	481	7	575	8
Contract Assets	Shanxi Shuitou Biyuan Water Treatment Co., Ltd.	A company under common control of the de facto controller	4,080	56	4,080	54
Contract Assets	Shanxi Fourth Construction Group Co., Ltd.	A company under common control of the parent company	334	5	279	4
Contract Assets	Shanxi Natural Gas Co., Ltd.	A company under common control of the de facto controller	9,940	136	9,940	131
Contract Assets	Shanxi Fifth Construction Group Co., Ltd.	A company under common control of the parent company	3,163	43	3,163	42
Contract Assets	Shanxi Xishan Huatong Cement Co., Ltd.	A company under common control of the de facto controller	1,461	20	1,461	19
Contract Assets	Shanxi Xiaohe New City Hotel Co., Ltd.	A company under common control of the parent company	2,794	38	2,794	37
Contract Assets	Shanxi Xinyuan Intelligent Construction Co., Ltd.	A company under common control of the parent company	—	—	395	5
Contract Assets	Shanxi Yangmei Sijiazhuang Coal Industry Co., Ltd.	A company under common control of the de facto controller	169	2	169	2
Contract Assets	Shanxi Transformation and Comprehensive Reform Demonstration Zone Shan'an Xiaohe Construction Industry Co., Ltd.	An associate	20,191	277	19,482	257

# Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

## X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

### 6. Receivables from and Payables to Related Parties (continued)

#### (1) Receivables from related parties (continued)

Item	Name of related party	Related party	June 30, 2025 (unaudited)		December 31, 2024	
			Balance	Bad debt provision	Balance	Bad debt provision
Contract Assets	Shaanxi Unisplendour Hi-tech Pharmaceutical Co., Ltd.	A company under common control of the parent company	89,273	1,223	89,273	1,176
Contract Assets	Taiyuan Yi'anju Property Management Co., Ltd.	A company under common control of the de facto controller	12	—	79	1
Contract Assets	Zhangzi Jinjian Flood Control and Drainage Project Management Co., Ltd.	An associate	134	2	517	7
Contract Assets	Datong Coal Mining Group Shuozhou Thermal Power Co., Ltd.	A company under common control of the de facto controller	514	7	1,428	19
Contract Assets	Shanxi Guangyuyuan Traditional Chinese Medicine Co., Ltd.	A company under common control of the de facto controller	—	—	85	1
Contract Assets	Shanxi Coking Coal Real Estate Co., Ltd.	A company under common control of the de facto controller	2,115	29	1,131	15
Contract Assets	Shanxi Coal Import and Export Group Hequ Jiuxian Open-pit Coal Co., Ltd.	A company under common control of the de facto controller	—	—	96	1
Contract Assets	Shanxi Coal Import and Export Group Hequ Energy Co., Ltd.	A company under common control of the de facto controller	20,314	278	19,752	260
Contract Assets	Shanxi Investment Group Hightech Internet of Things Park Co., Ltd.	A company under common control of the de facto controller	1,110	15	1,110	15
Contract Assets	Shanxi Wanjiazhai Yellow River Water Diversion Group Co., Ltd.	A company under common control of the de facto controller	144	2	144	2
Contract Assets	Shanxi Xiaohu Construction Industry Co., Ltd.	A company under common control of the parent company	—	—	22	—
Contract Assets	Xinjiang Guotai Xinhua Chemical Co., Ltd.	A company under common control of the de facto controller	330	5	330	4
Contract Assets	Gemeng Shanyin New Energy Co., Ltd.	A company under common control of the de facto controller	—	—	14	—
Contract Assets	Jinneng Holding Power Group Clean Energy Co., Ltd.	A company under common control of the de facto controller	14,129	194	38,347	505
Contract Assets	Jinneng Clean Energy Wind Power Co., Ltd.	A company under common control of the de facto controller	512	7	2,978	39
Contract Assets	Shanxi Construction Engineering Group Co., Ltd. Design Institute	A company under common control of the parent company	1,696	23	771	10
Contract Assets	Shanxi Sixth Construction Group Co., Ltd.	A company under common control of the parent company	—	—	15	—
Contract Assets	Shanxi Pingshuo Coal Gangue Power Generation Co., Ltd.	A company under common control of the de facto controller	—	—	1,611	21
Contract Assets	Shanxi Coke Group Yilong Coking Co., Ltd.	A company under common control of the de facto controller	—	—	1,927	25
Contract Assets	Shanxi Xinghuacun Fenjiu Distillery Co., Ltd.	A company under common control of the de facto controller	1,686	23	349	5

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 6. Receivables from and Payables to Related Parties (continued)

##### (1) Receivables from related parties (continued)

Item	Name of related party	Related party	June 30, 2025 (unaudited)		December 31, 2024	
			Balance	Bad debt provision	Balance	Bad debt provision
Contract Assets	Shaanxi Unisplendour Life Care Pharmaceutical Co., Ltd.	A company under common control of the parent company	47	1	47	1
Contract Assets	Taiyuan Natural Gas Co., Ltd.	A company under common control of the de facto controller	16	—	16	—
Contract Assets	Henan Jinkai Chemical Investment Holding Group Co., Ltd.	A company under common control of the de facto controller	14,336	196	—	—
Contract Assets	Shanxi Hangchan New Energy Co., Ltd.	An associate	27,802	381	—	—
Contract Assets	Shanxi Lu'an Photovoltaic Power Generation Co., Ltd.	A company under common control of the de facto controller	57	1	—	—
Contract Assets	Shanxi Xishan Jinxin Construction Co., Ltd.	A company under common control of the de facto controller	197	3	—	—
Prepayments	Shanxi Construction Financing Guarantee Co., Ltd.	A company under common control of the parent company	32	—	—	—
Prepayments	Shanxi Construction Investment Group Co., Ltd.	Parent company	668	—	531	—
Prepayments	Shanxi Jiantou Construction Industry Co., Ltd.	A company under common control of the parent company	—	—	187	—
Prepayments	Shanxi Jiantou South East Jin Construction Industry Co., Ltd.	A company under common control of the parent company	1,306	—	1,306	—
Prepayments	Shanxi Expressway Group Co., Ltd.	A company under common control of the de facto controller	2	—	2	—
Prepayments	Shanxi Yu'an Hengchuang Construction Engineering Co., Ltd.	An associate	—	—	49,306	—
Prepayments	Shanxi Coking Coal Group Tendering Co., Ltd.	A company under common control of the de facto controller	226	—	226	—
Prepayments	Jinneng Holding Group Shanxi Engineering Consultation Co., Ltd.	A company under common control of the de facto controller	—	—	63	—
Prepayments	Taiyuan International Airport Co., Ltd.	A company under common control of the de facto controller	—	—	10	—
Prepayments	Shanxi Jiantou Supplies Trading Co., Ltd.	A company under common control of the parent company	1,442	—	—	—
Prepayments	Shanxi Construction Decoration Engineering Co., Ltd.	A company under common control of the parent company	295	—	—	—
Prepayments	Shanxi Xingxin Safety Production Technology Service Co., Ltd.	A company under common control of the de facto controller	20	—	—	—



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 6. Receivables from and Payables to Related Parties (continued)

##### (2) Payables to related parties

Item	Name of related party	Related Party	June 30, 2025 (unaudited)	December 31, 2024
Trade payables	Coal Industry Taiyuan Design and Research Institute Group Co., Ltd	A company under control of the same parent company	3,363	5,941
Trade payables	Shanxi Anxin Construction Engineering Inspection Co., Ltd.	A company under common control of the de facto controller	696	855
Trade payables	Shanxi Hongsheng Kejian Technology Co., Ltd.	A company under common control of the de facto controller	1,991	1,991
Trade payables	Shanxi Jianda Ready Mixed Concrete Co., Ltd.	A company under control of the same parent company	175	175
Trade payables	Shanxi Jiangong Construction Engineering Testing Co., Ltd.	A company under control of the same parent company	36	36
Trade payables	Shanxi Construction Materials Trading Co., Ltd.	A company under control of the same parent company	9,992	9,992
Trade payables	Shanxi Jiankan Geotechnical Engineering Co., Ltd.	A company under control of the same parent company	1,402	1,502
Trade payables	Shanxi Construction Investment Group Co., Ltd.	Parent company	19,539	19,321
Trade payables	Shanxi Jiantou Construction Industry Co., Ltd.	A company under control of the same parent company	44,827	40,039
Trade payables	Shanxi Jiantou South East Jin Construction Industry Co., Ltd.	A company under control of the same parent company	60,213	77,077
Trade payables	Shanxi Jiantou Supplies Trading Co., Ltd.	A company under control of the same parent company	406,131	397,483
Trade payables	Shanxi Jiantou Cloud Data Technology Co., Ltd.	An associate	300	300
Trade payables	Shanxi Jiantou Decoration Industry Co., Ltd.	A company under control of the same parent company	4,898	4,998
Trade payables	Shanxi Construction Materials Trading Co., Ltd.	A company under control of the same parent company	173	173
Trade payables	Shanxi Construction Engineering Group Co., Ltd.	A company under control of the same parent company	449	449

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 6. Receivables from and Payables to Related Parties (continued)

##### (2) Payables to related parties (continued)

Item	Name of related party	Related Party	June 30, 2025 (unaudited)	December 31, 2024
Trade payables	Shanxi Jingtai Trading Co., Ltd.	A company under common control of the de facto controller	506	506
Trade payables	Shanxi Static Traffic Construction and Operation Co., Ltd.	A company under control of the same parent company	190	2,460
Trade payables	Shanxi Keyuan Construction Research and Testing Co., Ltd.	A company under control of the same parent company	32	32
Trade payables	Shanxi Liulin Electric Power Co., Ltd.	A company under common control of the de facto controller	21,383	24,018
Trade payables	Shanxi Lvjian Housing Technology Co., Ltd.	A company under control of the same parent company	84	84
Trade payables	Shanxi Automobile Transport Group Yuncheng Automobile Transport Co., Ltd.	A company under common control of the de facto controller	33	33
Trade payables	Shanxi Third Construction Group Co., Ltd.	A company under control of the same parent company	127	2,522
Trade payables	Shanxi Urban and Rural Planning and Design Institute Co., Ltd.	A company under common control of the de facto controller	717	717
Trade payables	Shanxi Engineering Machinery Co., Ltd.	A company under control of the same parent company	—	764
Trade payables	Shanxi Jinta Hoisting Equipment Installation Engineering Co., Ltd.	A company under control of the same parent company	1,312	2,216
Trade payables	Shanxi Survey Design Research Institute Co., Ltd.	A company under control of the same parent company	1,769	2,108
Trade payables	Shanxi Gas Planning and Design Institute Co., Ltd.	A company under common control of the de facto controller	26	26
Trade payables	Shanxi Water Conservancy and Hydropower Engineering Construction Supervision Co., Ltd.	A company under common control of the de facto controller	157	157

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 6. Receivables from and Payables to Related Parties (continued)

##### (2) Payables to related parties (continued)

Item	Name of related party	Related Party	June 30, 2025 (unaudited)	December 31, 2024
Trade payables	Shanxi Water Conservancy and Hydropower Survey and Design Institute Co., Ltd.	A company under common control of the de facto controller	359	359
Trade payables	Shanxi Fourth Construction Group Co., Ltd.	A company under control of the same parent company	620	1,315
Trade payables	Shanxi Tianlu Construction Labor Service Co., Ltd.	A company under control of the same parent company	3,620	332
Trade payables	Shanxi Wanjiashai Water Control Engineering Investment Co., Ltd.	A company under common control of the de facto controller	163	163
Trade payables	Shanxi Fifth Construction Group Co., Ltd.	A company under control of the same parent company	12,350	19,621
Trade payables	Shanxi Xingxin Safety Production Technology Service Co., Ltd.	A company under common control of the de facto controller	52	52
Trade payables	Shanxi First Construction Group Co., Ltd.	A company under control of the same parent company	83	53
Trade payables	Shanxi Yu'an Hengchuang Construction Engineering Co., Ltd.	An associate	353,830	287,165
Trade payables	Shanxi Park Construction and Development Group Co., Ltd.	A company under control of the same parent company	1,557	1,640
Trade payables	Shanxi Zhida Construction Engineering Inspection Co., Ltd.	A company under control of the same parent company	44	69
Trade payables	Shanghai Zhongtiaoshan Industrial Co., Ltd.	A company under common control of the de facto controller	2,375	285

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 6. Receivables from and Payables to Related Parties (continued)

##### (2) Payables to related parties (continued)

Item	Name of related party	Related Party	June 30, 2025 (unaudited)	December 31, 2024
Trade payables	Shenzhen Huakong Kaidi Investment Development Co., Ltd.	A company under control of the same parent company	—	974
Trade payables	Taiyuan Engineering Tiancheng Electronic Information Technology Co., Ltd.	A company under common control of the de facto controller	—	778
Trade payables	Taiyuan Gas Installation Engineering Co., Ltd.	A company under common control of the de facto controller	1,602	1,602
Trade payables	Taiyuan Natural Gas Co., Ltd.	A company under common control of the de facto controller	235	235
Trade payables	Taiyuan Xie'an Property Service Co., Ltd.	An associate	1,111	1,533
Trade payables	Taiyuan Heavy Industry Co., Ltd.	A company under common control of the de facto controller	272	272
Trade payables	Tengye Steel Structure Co., Ltd.	A company under control of the same parent company	213	213
Trade payables	Shanxi Datongyu Engineering Tools Leasing Co., Ltd.	A company under control of the same parent company	38	130
Trade payables	Shanxi Building Materials Industry Design and Research Institute Co., Ltd.	A company under control of the same parent company	30	30
Trade payables	Shanxi Transformation and Comprehensive Reform Demonstration Zone Shan'an Xiaohu Construction Industry Co., Ltd.	An associate	—	71
Trade payables	Shanxi Lvjian Zhizao Decorative Aluminium Board Technology Co., Ltd.	A company under control of the same parent company	483	435
Trade payables	Shanxi Urban Renewal Construction Operation Management Co., Ltd.	A company under control of the same parent company	224	224
Trade payables	Shanxi Engineering Machinery Co., Ltd. Xi'an Branch	A company under control of the same parent company	—	492
Trade payables	Shanxi Construction Decoration Engineering Co., Ltd.	A company under control of the same parent company	7,079	6,784

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 6. Receivables from and Payables to Related Parties (continued)

##### (2) Payables to related parties (continued)

Item	Name of related party	Related Party	June 30, 2025 (unaudited)	December 31, 2024
Trade payables	Shanxi Fourth Construction Group Co., Ltd. Material Supply Station	A company under control of the same parent company	15	15
Trade payables	Shanxi Jiantou Linfen Construction Industry Co., Ltd.	An associate	2,979	4,242
Trade payables	Huayang Group (Yangquan) New Energy Sales Co., Ltd.	A company under control of the same parent company	656	656
Trade payables	Shanxi Beifang Copper Co., Ltd.	A company under control of the same parent company	—	44
Trade payables	Shanxi Hangchan Technology Co., Ltd.	A company under control of the same parent company	240	240
Trade payables	Shanxi Yellow River Water Treatment Ecological and Environmental Protection Holdings Co., Ltd.	A company under control of the same parent company	2,831	2,598
Trade payables	Shanxi Jintou Basalt Development Co., Ltd.	A company under control of the same parent company	130	12
Trade payables	Shanxi Shuitou Biyuan Water Treatment Co., Ltd.	A company under control of the same parent company	17	17
Trade payables	Shanxi Wanjiashai Water Control Network Development Co., Ltd.	A company under control of the same parent company	92	65
Trade payables	Shanxi Low Carbon Environmental Protection Industry Group Co., Ltd.	A company under common control of the same parent company	1,347	—
Trade payables	Shanxi Fourth Construction Group Co., Ltd. Design Business Department	A company under common control of the same parent company	200	—
Trade payables	Shanghai Jinjiantou Construction Investment Co., Ltd.	A company under common control of the same parent company	900	—
Trade payables	Shanxi International Energy Group Hongguang Power Generation Co., Ltd.	A company under common control of the de facto controller	22,010	—
Trade payables	Taiyuan International Airport Co., Ltd.	A company under common control of the de facto controller	37	—
Other payables	Huguan Coal Sales and Heat Co., Ltd.	A company under common control of the de facto controller	13	13
Other payables	Shanxi Second Construction Group Co., Ltd.	A company under control of the same parent company	2,615	—

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 6. Receivables from and Payables to Related Parties (continued)

##### (2) Payables to related parties (continued)

Item	Name of related party	Related Party	June 30, 2025 (unaudited)	December 31, 2024
Other payables	Shanxi Hongsha Construction Engineering Co., Ltd.	A company under common control of the de facto controller	15	15
Other payables	Shanxi Construction Investment Group Co., Ltd.	Parent company	23,435	150,195
Other payables	Shanxi Jiantou Construction Industry Co., Ltd.	A company under control of the same parent company	162	2,500
Other payables	Shanxi Jiantou South East Jin Construction Industry Co., Ltd.	A company under control of the same parent company	159	159
Other payables	Shanxi Coking Co., Ltd.	A company under common control of the de facto controller	18	—
Other payables	Shanxi Jindafeng Natural Gas Development Co., Ltd.	A company under common control of the de facto controller	4	4
Other payables	Shanxi Coalbed Methane (Natural Gas) Collection and Transportation Co., Ltd.	A company under common control of the de facto controller	363	363
Other payables	Shanxi Yangmei Fengxi Quanji Energy Co., Ltd.	A company under common control of the de facto controller	9	9
Other payables	Shanxi Yu'an Hengchuang Construction Engineering Co., Ltd.	An associate	3,216	2,953
Other payables	Taiyuan Xie'an Property Service Co., Ltd.	An associate	10,235	10,851
Other payables	Datong Coal Mining Group Shuozhou Thermal Power Co., Ltd.	A company under common control of the de facto controller	83	83
Other payables	Shanxi Jiantou International Investment Co., Ltd.	An associate	2,497	2,200
Other payables	Datong Coal Mine Group Tongsheng Shu'erli Coal Industry Co., Ltd.	A company under common control of the de facto controller	4	—
Other payables	Jinjian International Commercial Factoring (Zhuhai Hengqin) Co., Ltd.	A company under common control of the same parent company	14,000	—
Other payables	Jinkong Electric Power Tashan Power Generation Shanxi Co., Ltd.	A company under common control of the de facto controller	86	—

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 6. Receivables from and Payables to Related Parties (continued)

##### (2) Payables to related parties (continued)

Item	Name of related party	Related Party	June 30, 2025 (unaudited)	December 31, 2024
Other payables	Shanxi Jiantou International Construction Group Co., Ltd.	A company under common control of the same parent company	150	—
Other payables	Shanxi Jinjian Shan'an Equity Investment Partnership (Limited Partnership)	An associate	120,000	—
Other payables	Shanxi Fourth Construction Group Co., Ltd.	A company under common control of the same parent company	300	—
Other payables	Shanxi Tianlu Construction Labor Service Co., Ltd.	A company under common control of the same parent company	32	—
Other payables	Shanxi Xinghuacun Fenjiu Distillery Co., Ltd.	A company under common control of the de facto controller	4	—
Other payables	Shanxi First Construction Group Co., Ltd.	A company under common control of the same parent company	480	—
Contract liabilities	Gemeng Shanyin New Energy Co., Ltd.	A company under common control of the de facto controller	285	332
Contract liabilities	Jinneng Holding Group Xuangang Coal and Electricity Co., Ltd.	A company under common control of the de facto controller	267	267
Contract liabilities	Coal Industry Taiyuan Design and Research Institute Group Co., Ltd.	A company under control of the same parent company	10	10
Contract liabilities	Shanjiao Sales Rizhao Co., Ltd.	A company under common control of the de facto controller	266	—
Contract liabilities	Shanxi Eighth Construction Group Co., Ltd.	A company under control of the same parent company	402	402
Contract liabilities	Shanxi Guoxin Logistics Co., Ltd.	A company under common control of the de facto controller	1,033	67
Contract liabilities	Shanxi Aviation Industry Group Co., Ltd.	A company under common control of the de facto controller	5,306	450
Contract liabilities	Shanxi Hepo Power Generation Co., Ltd.	A company under common control of the de facto controller	1,014	2,513

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 6. Receivables from and Payables to Related Parties (continued)

##### (2) Payables to related parties (continued)

Item	Name of related party	Related Party	June 30, 2025 (unaudited)	December 31, 2024
Contract liabilities	Shanxi Huaxinjin Medicine Group Co., Ltd.	A company under common control of the de facto controller	40	60
Contract liabilities	Shanxi Jianfa Comprehensive Energy Development Co., Ltd.	An associate	—	463
Contract liabilities	Shanxi Construction Investment Group Co., Ltd.	Parent company	3,535	139,100
Contract liabilities	Shanxi Construction Investment City Operation Group Co., Ltd.	A company under control of the same parent company	1,775	—
Contract liabilities	Shanxi Coking Co., Ltd.	A company under common control of the de facto controller	643	643
Contract liabilities	Shanxi Pingshuo Coal Gangue Power Generation Co., Ltd.	A company under common control of the de facto controller	1,684	34
Contract liabilities	Shanxi Investment Group High-tech Internet of Things Park Co., Ltd.	A company under common control of the de facto controller	1,500	1,500
Contract liabilities	Shanxi Compressed Natural Gas Group Jinzhong Co., Ltd.	A company under common control of the de facto controller	433	433
Contract liabilities	Shaanxi Unisplendour Hi-tech Pharmaceutical Co., Ltd.	A company under control of the same parent company	50	230
Contract liabilities	Shanxi Jiantou South East Jin Construction Industry Co., Ltd.	A company under control of the same parent company	8,051	4,762
Contract liabilities	Shanxi Nonggu Park Industrial Development Co., Ltd.	A company under control of the same parent company	—	2,996
Contract liabilities	Shenzhen Warranty Asset Management Co., Ltd.	A company under control of the same parent company	42	190
Contract liabilities	Shanxi Jiantou Cloud Data Technology Co., Ltd.	An associate	101	101
Contract liabilities	Datong Coal Mining Group Shuozhou Thermal Power Co., Ltd.	A company under common control of the de facto controller	—	294



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 6. Receivables from and Payables to Related Parties (continued)

##### (2) Payables to related parties (continued)

Item	Name of related party	Related Party	June 30, 2025 (unaudited)	December 31, 2024
Contract liabilities	Jinneng Holding Power Group Yuanqu Clean Energy Co., Ltd.	A company under common control of the de facto controller	—	3,584
Contract liabilities	Shanxi Guangyuyuan Traditional Chinese Medicine Co., Ltd.	A company under common control of the de facto controller	8	28
Contract liabilities	Shanxi Qiguang Power Generation Co., Ltd.	A company under common control of the de facto controller	1,364	2,523
Contract liabilities	Shanxi Tianshi Electric Power Co., Ltd.	A company under common control of the de facto controller	64	83
Contract liabilities	Shanxi Wanjiazhai Yellow River Water Diversion Group Co., Ltd.	A company under common control of the de facto controller	—	338
Contract liabilities	Shanxi Xinghuacun Fenjiu Distillery Co., Ltd.	A company under common control of the de facto controller	—	3,253
Contract liabilities	Taiyuan Natural Gas Co., Ltd.	A company under common control of the de facto controller	207	207
Contract liabilities	Henan Jinkai Chemical Investment Holding Group Co., Ltd.	A company under common control of the de facto controller	36,941	—
Contract liabilities	Jinneng Clean Energy Wind Power Co., Ltd.	A company under common control of the de facto controller	445	—
Contract liabilities	Shanxi Second Construction Group Co., Ltd.	A company under common control of the same parent company	283	—
Contract liabilities	Shanxi Jiantou Supplies Trading Co., Ltd.	A company under common control of the same parent company	444	—
Contract liabilities	Shanxi Jiantou Equipment Manufacturing Co., Ltd.	A company under common control of the same parent company	38	—
Contract liabilities	Shanxi Transportation Investment and Financing Group Co., Ltd.	A company under common control of the de facto controller	2,380	—
Contract liabilities	Shanxi Jinju Coal Electrification Co., Ltd.	A company under common control of the de facto controller	53	—

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 6. Receivables from and Payables to Related Parties (continued)

##### (2) Payables to related parties (continued)

Item	Name of related party	Related Party	June 30, 2025 (unaudited)	December 31, 2024
Contract liabilities	Shanxi Luqiao Real Estate Development Co., Ltd.	A company under common control of the de facto controller	672	—
Contract liabilities	Shanxi Ruiguang Thermal Power Co., Ltd.	A company under common control of the de facto controller	176	—
Contract liabilities	Shanxi Survey Design Research Institute Co., Ltd.	A company under common control of the same parent company	35	—
Contract liabilities	Shanxi Fourth Construction Group Co., Ltd.	A company under common control of the same parent company	55	—
Contract liabilities	Shanxi Taizhong Engineering Crane Co., Ltd.	A company under common control of the de facto controller	42	—
Contract liabilities	Shanxi First Construction Group Co., Ltd.	A company under common control of the same parent company	977	—
Contract liabilities	Shanxi Jiantou Construction Industry Co., Ltd.	A company under common control of the same parent company	500	—
Short-term borrowings	Jinjian International Commercial Factoring (Zhuhai Hengqin) Co., Ltd.	A company under control of the same parent company	118,360	310,285
Long-term borrowings	Hongchuang Financial Leasing Co., Ltd.	A company under common control of the de facto controller	46,723	58,984
Long-term borrowings	Jinjian International Finance Lease (Tianjin) Co., Ltd.	A company under control of the same parent company	29,945	21,728
Long-term borrowings	Tongmei Zhangze (Shanghai) Financial Leasing Co., Ltd.	A company under common control of the de facto controller	46,910	61,390

As of June 30, 2025, other receivables of Shanxi Installation — balance of SCIG Group (including subsidiaries of Shanxi CIG) was RMB528,057,000, while other payables — balance of SCIG Group (including subsidiaries of Shanxi CIG) was RMB174,065,000.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

#### 7. Commitments of Related Parties

##### *Commitments of Shanxi CIG*

For the year ended June 30, 2025, certain employees were unwilling to contribute to the housing provident fund, and the Company did not pay social insurance and housing provident fund for those employees. Shanxi CIG promised to pay any unpaid amounts and any resulting fines or penalties according to the amount approved by the competent authorities, and to fully compensate the Company for any economic losses caused by such matters.

The directors believe that, since (1) the Company had paid the due social insurance amounts for those employees; (2) the Company had obtained compliance certificates from local social insurance agencies, confirming that it had not been subjected to any administrative penalties for non-compliance with social insurance regulations; and (3) the Company had received advice from legal counsel, the likelihood of receiving any penalty notices or repayment demands from the competent authorities to be remote.

The directors believe that, given the relatively high turnover rate of the aforementioned employees and the lack of fixed contract hours, the disclosure of its potential impact is not practically feasible.

### XI. COMMITMENTS AND CONTINGENCIES

#### 1. Significant Commitments

##### *Capital commitments*

Capital commitments contracted for but not yet recognised in the financial statements	June 30, 2025 (unaudited)	December 31, 2024
Commitments in relation to acquisition and construction of long-term assets	503,611	6,613
Commitments in relation to external investment	1,623,692	1,255,188

As at June 30, 2025, the Company has no other commitments that should be disclosed.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XI. COMMITMENTS AND CONTINGENCIES (continued)

#### 2. Contingencies

As at June 30, 2025, the Company provided guarantee for the following corporate loans:

Guarantee	Guarantee amount	Guarantee commencement date	Guarantee due date	Whether the guarantee has been fulfilled
I. Subsidiaries				
Xinjiang Shan'an Waterwork Management Co., Ltd.	347,410	June 27, 2019	June 23, 2037	No
Xiyang Shan'an Comprehensive Pipeline Construction Development Co., Ltd.	325,428	June 20, 2019	June 17, 2039	No
Jiexiu Shan'an Waterwork Construction Development Co., Ltd.	274,330	May 31, 2019	February 15, 2039	No
Qinshui Shan'an Culture and Sport Construction Development Co., Ltd.	231,000	October 18, 2019	January 20, 2039	No
Liulin Shan'an Bluesky Heating Co., Ltd.	231,000	September 24, 2019	September 23, 2047	No
Qinshui Shan'an Construction Development Co., Ltd.	479,172	January 19, 2023	January 19, 2040	No
Huguan Shan'an Two Roads Three Streets Construction Development Co., Ltd.	129,600	October 29, 2018	October 29, 2035	No
Shanxi Shan'an Lide Environmental Technology Co., Ltd.	120,684	November 8, 2023	November 8, 2029	No
Xiangyuan Shan'an Road and Bridge Construction Development Co., Ltd.	97,000	May 31, 2021	May 30, 2032	No
Lingchuan Shan'an Construction Development Co., Ltd.	82,800	October 23, 2018	October 30, 2033	No
Gaoping City Shan'an Five Roads One River Construction Development Co., Ltd.	80,300	August 15, 2019	July 8, 2033	No
Linfen Shan'an Waterwork Development Co., Ltd.	54,375	October 28, 2021	October 27, 2036	No
Jinzhong Shan'an Lide Solid Waste Utilization Technology Co., Ltd.	22,186	August 24, 2024	June 24, 2034	No
II. Other companies				
Shanxi Jianfa Comprehensive Energy Development Co., Ltd.	5,491	May 11, 2023	May 9, 2033	No
Shanxi Shuitou Biyuan Water Treatment Co., Ltd.	1,628	February 1, 2019	January 31, 2035	No
<b>Total</b>	<b>2,482,404</b>			

As at June 30, 2025, the Company has no other contingencies that should be disclosed.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XII. EVENTS AFTER THE BALANCE SHEET DATE

Profit allocation subsequent to the balance sheet date

Profit or dividend intended to be distributed	—
Profit or dividend considered, approved and announced to be distributed	6,232

As at August 27, 2025 (the date of approval of the report by the Board), there were no other post-balance sheet events that should be disclosed.

### XIII. OTHER SIGNIFICANT MATTERS

#### 1. Segment Reporting

According to the internal organizational structure, management requirements, and internal reporting system of the Company, the operations of the Company are divided into two reporting segments: the construction contracting segment and the non-construction segment. These reporting segments are determined based on the financial information required for the daily internal management of the Company. The management of the Group regularly evaluates the operating results of these reporting segments to determine resources allocated to them and to assess their performance.

Reporting information of segments is disclosed based on the accounting policies and measurement standards adopted by each segment when reporting to management, these accounting policies and measurement bases are consistent with those used in the preparation of financial statements.

*Segment profits or losses, assets and liabilities*

Current period or at the end of current period	Construction contracting segment	Non-construction segment	Offset	Total
Operating revenue	5,243,585	596,664	225,874	5,614,375
Including: Revenue from external transactions	5,178,695	435,680	—	5,614,375
Revenue from inter-segment transactions	64,890	160,984	225,874	—
Including: Revenue from principal businesses	5,135,538	654,956	202,453	5,588,041
Operating costs	4,747,493	477,952	209,748	5,015,697
Selling expenses	—	654	4	650
Management expenses	213,806	32,903	16,599	230,110
Finance expenses	91,003	-51,654	620	38,729
Operating profits/(losses)	82,458	109,953	88,762	103,649
Total assets	20,614,809	8,454,332	3,925,345	25,143,796
Total liabilities	18,338,065	5,908,412	2,506,029	21,740,448
Supplementary information:				
Capital expenditures	19,224	49,850	8,305	60,769
Depreciation and amortization expenses	12,955	50,165	—	63,120
Asset impairment losses (losses are expressed in “-”)	-11,657	-5,918	-1,151	-16,424
Credit impairment losses (losses are expressed in “-”)	-19,190	-4,756	—	-23,946

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIII. OTHER SIGNIFICANT MATTERS (continued)

#### 1. Segment Reporting (continued)

*Segment profits or losses, assets and liabilities (continued)*

Continued:

Previous period or at the end of previous period	Construction contracting segment	Non-construction segment	Offset	Total
Operating revenue	5,590,701	595,887	174,355	6,012,233
Including: Revenue from external transactions	5,555,045	457,188	—	6,012,233
Revenue from inter-segment transactions	35,655	138,699	174,354	—
Including: Revenue from principal businesses	5,576,188	591,218	167,133	6,000,273
Operating costs	5,090,247	486,020	165,787	5,410,480
Selling expenses	—	647	4	643
Management expenses	205,799	27,979	9,028	224,750
Finance expenses	103,840	-41,446	—	62,394
Operating profits/(losses)	12,600	100,089	-943	113,632
Total assets	21,111,357	8,640,990	3,965,834	25,786,513
Total liabilities	18,964,806	6,207,312	2,646,724	22,525,394
Supplementary information:				
Capital expenditures	3,591	97,398	9,484	91,505
Depreciation and amortization expenses	13,538	37,586	—	51,124
Asset impairment losses				
(losses are expressed in “-”)	-21,022	-1,995	-477	-22,540
Credit impairment losses				
(losses are expressed in “-”)	-30,976	-3,722	—	-34,698

#### 2. Reliance on major customers

The Company has a large number of customers and no single customer accounted for more than 10% of the Company's total revenue as at June 30, 2025.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIII. OTHER SIGNIFICANT MATTERS (continued)

#### 3. Remuneration of directors, supervisors and employees

The remuneration of the directors and members of the supervisory committee as disclosed pursuant to the Listing Rules, Section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows.

##### ① Remuneration of directors and supervisors

Directors and supervisors	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Fees	—	—
Salary, allowances and other benefits	1,011	943
Pension scheme contributions	274	233
Performance related bonus	590	582
<b>Total</b>	<b>1,875</b>	<b>1,758</b>

Year ended June 30, 2025

Directors/Supervisors	Fees	Salary, allowances and other benefits	Pension scheme contributions	Performance related bonus	Total
WANG Limin	—	122	32	176	330
REN Rui	—	164	49	180	393
ZHANG Yan	—	148	49	94	291
XU Guanshi	—	—	—	—	—
ZHANG Hongjie	—	—	—	—	—
MU Jianwei	—	—	—	—	—
FENG Cheng	—	—	—	—	—
WANG Jingming	—	60	—	—	60
WU Qiusheng	—	60	—	—	60
SHIN Chuck Yin	—	60	—	—	60
GUO He	—	60	—	—	60
<b>Sub-total of directors</b>	—	<b>674</b>	<b>130</b>	<b>450</b>	<b>1,254</b>
SHI Meng	—	116	49	65	230
ZHANG Caixia	—	109	49	74	232
YAN Lei	—	112	47	—	159
<b>Sub-total of supervisors</b>	—	<b>337</b>	<b>145</b>	<b>139</b>	<b>621</b>
<b>Total</b>	—	<b>1,011</b>	<b>275</b>	<b>589</b>	<b>1,875</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIII. OTHER SIGNIFICANT MATTERS (continued)

#### 3. Remuneration of directors, supervisors and employees (continued)

##### ① Remuneration of directors and supervisors (continued)

Year ended June 30, 2025 (continued)

Explanations:

- A. The Company does not have a director fee system.
- B. As studied and decided by the meeting of the Communist Party Committee of Shanxi Construction Investment Group Co., Ltd. on May 12, 2025, Wang Limin was removed from the position of the chairman and director, and Ren Rui was appointed as the chairman of Shanxi Installation Group Co., Ltd.
- C. During the years ended June 30, 2025 and December 31, 2024, none of the directors of the Company has waived or agreed to waive any emoluments.
- D. During the years ended June 30, 2025 and December 31, 2024, no emolument was paid by the Group to any of the directors as an inducement to join or upon joining the Company or as compensation for loss of office.
- E. During the years ended June 30, 2025 and December 31, 2024, Mr. ZHANG Hongjie, Mr. XU Guanshi, Mr. FENG Cheng and Mr. MU Jianwei were appointed by Shanxi CIG, where they shall perform their duties. The remuneration of such directors was paid by Shanxi CIG.

Continued:

Year ended June 30, 2024

Directors/Supervisors	Fees	Salary, allowances and other benefits	Pension scheme contributions	Performance related bonus	Total
WANG Limin	—	146	45	164	355
REN Rui	—	164	45	175	384
ZHANG Yan	—	158	45	103	306
XU Guanshi	—	—	—	—	—
ZHANG Hongjie	—	—	—	—	—
MU Jianwei	—	—	—	—	—
FENG Cheng	—	—	—	—	—
WANG Jingming	—	60	—	—	60
WU Qiusheng	—	60	—	—	60
SHIN Chuck Yin	—	60	—	—	60
GUO He	—	60	—	—	60
<b>Sub-total of directors</b>	—	708	135	442	1,285
SHI Meng	—	108	45	66	219
ZHANG Caixia	—	101	45	74	220
YAN Lei	—	26	8	—	34
<b>Sub-total of supervisors</b>	—	235	98	140	473
<b>Total</b>	—	943	233	582	1,758



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIII. OTHER SIGNIFICANT MATTERS (continued)

#### 3. Remuneration of directors, supervisors and employees (continued)

##### ② Five highest paid employees

The five highest paid individuals of the Company during the year ended June 30, 2025 included 2 directors, whose emoluments are reflected in the section headed "Remuneration of directors and supervisors". The emoluments paid to the remaining 3 individuals for January to June 2025 are as follows:

Item	January to June 2025 (unaudited)
Salary, allowances and other benefits	431
Performance related bonuses	445
Pension scheme contributions	146
<b>Total</b>	<b>1,022</b>

Continued:

The five highest paid individuals of the Company during the year ended June 30, 2024 included 2 directors, whose emoluments are reflected in the section headed "Remuneration of directors and supervisors". The emoluments paid to the remaining 3 individuals for January to June 2024 are as follows:

Item	January to June 2024 (unaudited)
Salary, allowances and other benefits	431
Performance related bonuses	484
Pension scheme contributions	135
<b>Total</b>	<b>1,050</b>

The number of highest paid employees who are not members of the Board and members of the supervisory committee whose remuneration is within the following range:

Item	January to June 2025 (unaudited)	January to June 2024 (unaudited)
0—RMB1,000,000	3	3
RMB1,000,001—RMB1,500,000	—	—
RMB1,500,001—RMB2,000,000	—	—

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIV. NOTES ON MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

#### 1. Trade Receivables

Trade receivables are mainly recorded based on the dates of transaction. The age of trade receivables presented based on the recording date is basically the same as the age presented based on the invoice date.

##### (1) Disclosure by age

Age	June 30, 2025 (unaudited)	December 31, 2024
Within 1 year	3,408,639	2,667,012
1–2 years	1,039,277	1,732,142
2–3 years	1,077,559	798,862
3–4 years	549,327	231,842
4–5 years	176,020	166,116
Over 5 years	177,285	196,398
<b>Sub-total</b>	<b>6,428,107</b>	5,792,372
Less: Bad debt provision	446,814	425,345
<b>Total</b>	<b>5,981,293</b>	5,367,027

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

Type	June 30, 2025 (unaudited)				
	Balance		Bad debt provision		Carrying amount
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)	
Bad debt provision on an individual basis	123,050	1.91	123,050	100.00	—
Bad debt provision on a group basis	6,305,057	98.09	323,764	5.13	5,981,293
Including: Age group	6,159,907	95.83	323,764	5.26	5,836,143
Group of receivables from subsidiaries	145,150	2.26	—	—	145,150
Total	6,428,107	100.00	446,814	6.95	5,981,293

Continued:

Type	Balance		December 31, 2024		Carrying amount
			Bad debt provision	Expected credit loss	
	Amount	Proportion (%)	Amount	rate (%)	
Bad debt provision on an individual basis	123,218	2.13	123,218	100.00	—
Bad debt provision on a group basis	5,669,154	97.87	302,127	5.33	5,367,027
Including: Age group	5,494,221	94.85	302,127	5.50	5,192,094
Group of receivables from subsidiaries	174,933	3.02	—	—	174,933
Total	5,792,372	100.00	425,345	7.34	5,367,027

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIV. NOTES ON MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

#### 1. Trade Receivables (continued)

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

Bad debt provision on an individual basis:

Name	June 30, 2025 (unaudited)			
	Balance	Bad debt provision	Expected credit loss rate (%)	Reason for provision
Customer 1	40,902	40,902	100.00	The company made credit loss provisions based on the recoverability of the amount
Customer 2	20,222	20,222	100.00	The company made credit loss provisions based on the recoverability of the amount
Customer 3	15,489	15,489	100.00	The company made credit loss provisions based on the recoverability of the amount
Customer 4	13,081	13,081	100.00	The company made credit loss provisions based on the recoverability of the amount
Customer 5	12,472	12,472	100.00	The company made credit loss provisions based on the recoverability of the amount
Others	20,884	20,884	100.00	The company made credit loss provisions based on the recoverability of the amount
<b>Total</b>	<b>123,050</b>	<b>123,050</b>	<b>—</b>	

Continued:

Name	December 31, 2024			
	Balance	Bad debt provision	Expected credit loss rate (%)	Reason for provision
Customer 1	40,902	40,902	100.00	The company made credit loss provisions based on the recoverability of the amount
Customer 2	20,748	20,748	100.00	The company made credit loss provisions based on the recoverability of the amount
Customer 3	15,489	15,489	100.00	The company made credit loss provisions based on the recoverability of the amount
Customer 4	13,081	13,081	100.00	The company made credit loss provisions based on the recoverability of the amount
Customer 5	12,472	12,472	100.00	The company made credit loss provisions based on the recoverability of the amount
Others	20,526	20,526	100.00	The company made credit loss provisions based on the recoverability of the amount
<b>Total</b>	<b>123,218</b>	<b>123,218</b>	<b>—</b>	

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIV. NOTES ON MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

#### 1. Trade Receivables (continued)

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

Bad debt provision on a group basis:

Provision on a group basis: age group

Item	June 30, 2025 (unaudited)			December 31, 2024		
	Balance	Bad debt provision	Expected credit loss rate (%)	Balance	Bad debt provision	Expected credit loss rate (%)
Within 1 year	3,408,639	46,054	1.35	2,651,489	34,275	1.29
1-2 years	1,023,397	33,696	3.29	1,732,142	58,999	3.41
2-3 years	1,077,559	68,012	6.31	797,537	55,669	6.98
3-4 years	548,003	69,163	12.62	231,668	26,292	11.35
4-5 years	175,846	35,225	20.03	166,116	36,690	22.09
Over 5 years	71,613	71,614	100.00	90,202	90,202	100.00
<b>Total</b>	<b>6,305,057</b>	<b>323,764</b>	<b>5.13</b>	<b>5,669,154</b>	<b>302,127</b>	<b>5.33</b>

Bad debt provisions accrued, recovered or reversed in the current period

Item	Bad debt provision amount
Opening balance	425,345
Accrual during the period	21,469
Recovery or reversal during the period	—
Write-off during the period	—
Carry-forward during the period	—
Others	—
<b>Closing balance</b>	<b>446,814</b>

##### (3) Trade receivables actually written off during the period

Nil.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIV. NOTES ON MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

#### 1. Trade Receivables (continued)

##### (4) Top five debtors of trade receivables in terms of closing balance

Name of entity	Balance of trade receivables at the end of the period	As a percentage of the total balance of trade receivables at the end of the period %	Balance of bad debt provision at the end of the period
Customer 7	286,516	4.46	3,931
Customer 8	254,312	3.96	5,206
Customer 26	158,297	2.46	3,703
Customer 27	105,343	1.64	1,638
Customer 28	91,810	1.43	3,726
<b>Total</b>	<b>896,278</b>	<b>13.95</b>	<b>18,204</b>

#### 2. Other Receivables

Item	June 30, 2025 (unaudited)	December 31, 2024
Interest receivables	—	—
Dividend receivables	21,523	21,523
Other receivables	1,771,363	1,764,310
<b>Total</b>	<b>1,792,886</b>	<b>1,785,833</b>

##### (1) Dividend receivables

Item	June 30, 2025 (unaudited)	December 31, 2024
Shanxi Jiantou Cloud Data Technology Co., Ltd.	1,349	1,349
Shanxi Jiantou Decoration Industry Co., Ltd.	102	102
Taiyuan Xie'an Property Service Co., Ltd.	72	72
Shanxi Shan'an Maode Distributed Energy Technology Co., Ltd.	20,000	20,000
<b>Sub-total</b>	<b>21,523</b>	<b>21,523</b>
Less: Bad debt provision	—	—
<b>Total</b>	<b>21,523</b>	<b>21,523</b>

The Company does not have any material dividend receivables with an aging of more than 1 year in the current period.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIV. NOTES ON MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

#### 2. Other Receivables (continued)

##### (2) Other receivables

##### ① Disclosure by age

Age	June 30, 2025 (unaudited)	December 31, 2024
Within 1 year	1,460,817	1,202,041
1-2 years	142,801	198,934
2-3 years	92,370	361,089
3-4 years	78,262	11,860
4-5 years	9,008	9,200
Over 5 years	22,024	17,189
<b>Sub-total</b>	<b>1,805,282</b>	1,800,313
Less: Bad debt provision	33,919	36,003
<b>Total</b>	<b>1,771,363</b>	1,764,310

##### ② Disclosure by nature of payment

Item	June 30, 2025 (unaudited)			December 31, 2024		
	Balance	Bad debt provision	Carrying amount	Balance	Bad debt provision	Carrying amount
Reserve funds, deposits and security deposits	76,048	981	75,067	88,092	1,355	86,737
Amount due from related parties within scope of consolidation	1,058,955	—	1,058,955	1,044,525	—	1,044,525
Amount due from associates	15,093	273	14,820	7,984	696	7,288
Amount due from related parties	525,497	13,472	512,025	520,372	15,874	504,498
Payment and collection clearance accounts	859	19	840	16,038	271	15,767
Other debts	128,830	19,174	109,656	123,302	17,807	105,495
<b>Total</b>	<b>1,805,282</b>	<b>33,919</b>	<b>1,771,363</b>	<b>1,800,313</b>	<b>36,003</b>	<b>1,764,310</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIV. NOTES ON MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

#### 2. Other Receivables (continued)

##### (2) Other receivables (continued)

##### ③ Bad debt provision

Bad debt provisions in stage I at the end of the period:

Type	Balance	12-month expected credit loss rate (%)	Bad debt provision	Carrying amount	Reason
Bad debt provision on an individual basis					
Bad debt provision on a group basis	1,460,818	0.35	5,184	1,455,634	
— Group of reserve funds, deposits and security deposits receivable	14,873	1.29	192	14,681	
— Group of receivables from related parties within the scope of consolidation	1,058,955	—	—	1,058,955	
— Age group	386,990	1.29	4,992	381,998	
<b>Total</b>	<b>1,460,818</b>	<b>0.35</b>	<b>5,184</b>	<b>1,455,634</b>	

Bad debt provisions in stage II at the end of the period:

Type	Balance	Lifetime expected credit loss rate (%)	Bad debt provision	Carrying amount	Reason
Bad debt provision on an individual basis					
Bad debt provision on a group basis	331,409	4.73	15,680	315,729	
— Group of reserve funds, deposits and security deposits receivable	61,175	1.29	789	60,386	
— Group of receivables from related parties within the scope of consolidation	—	—	—	—	
— Age group	270,234	5.51	14,891	255,343	
<b>Total</b>	<b>331,409</b>	<b>4.73</b>	<b>15,680</b>	<b>315,729</b>	

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIV. NOTES ON MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

#### 2. Other Receivables (continued)

##### (2) Other receivables (continued)

##### ③ Bad debt provision (continued)

Bad debt provisions in stage III at the end of the period:

Type	Lifetime expected		Bad debt provision	Carrying amount	Reason
	Balance	credit loss rate (%)			
Bad debt provision on an individual basis					
Entity 2	3,477	100	3,477	—	Provision for credit losses is made based on the recoverability of the amount
Entity 3	2,995	100	2,995	—	Provision for credit losses is made based on the recoverability of the amount
Entity 4	1,410	100	1,410	—	Provision for credit losses is made based on the recoverability of the amount
Entity 5	1,200	100	1,200	—	Provision for credit losses is made based on the recoverability of the amount
Entity 6	1,070	100	1,070	—	Provision for credit losses is made based on the recoverability of the amount
Entity 7	1,000	100	1,000	—	Provision for credit losses is made based on the recoverability of the amount
Others	1,903	100	1,903	—	Provision for credit losses is made based on the recoverability of the amount
<b>Total</b>	<b>13,055</b>	<b>100</b>	<b>13,055</b>	<b>—</b>	



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIV. NOTES ON MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

#### 2. Other Receivables (continued)

##### (2) Other receivables (continued)

##### ③ Bad debt provision (continued)

Bad debt provisions accrued, recovered or reversed in the current period

Bad debt provision	Stage I	Stage II Lifetime expected credit losses (not credit- impaired)	Stage III Lifetime expected credit losses (credit- impaired)	Total
	12-month expected credit losses			
Opening balance	1,102	20,346	14,555	36,003
The opening balance of the current period	-1,228	1,228	—	—
— Transfer to Stage II	-1,228	1,228	—	—
— Transfer to Stage III	—	—	—	—
— Reverse to Stage II	—	—	—	—
— Reverse to Stage I	—	—	—	—
Accrual during the period	5,310	-5,894	-1,500	-2,084
Reversal during the period	—	—	—	—
Carry-forward during the period	—	—	—	—
Write-off during the period	—	—	—	—
Other changes	—	—	—	—
Closing balance	5,184	15,680	13,055	33,919

④ Other receivables actually written off in the current period  
Nil.

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIV. NOTES ON MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

#### 2. Other Receivables (continued)

##### (2) Other receivables (continued)

⑤ Top five debtors of other receivables in terms of closing balance

Name of entity	Nature of amount	Closing balance of other receivables	Age	As a percentage of the total balance of other receivables at the end of the period (%)	Closing balance of bad debt provision
Entity 9	Amount due from related parties	528,057	Within 1 year, 1-2 years, 2-3 years, 3-4 years	29.25	11,265
Shanxi Zhuo'an Materials Trading Co., Ltd.	Current accounts of subsidiaries	263,923	Within 1 year	14.62	—
Yangquan Shan'an Construction Development Co., Ltd.	Current accounts of subsidiaries	134,618	Within 1 year	7.46	—
Xiyang Shan'an Comprehensive Pipeline Construction Development Co., Ltd.	Current accounts of subsidiaries	111,386	Within 1 year	6.17	—
Shanxi Ningyang Energy Co., Ltd.	Current accounts of subsidiaries	92,975	Within 1 year	5.15	—
<b>Total</b>		<b>1,130,959</b>	<b>—</b>	<b>62.65</b>	<b>11,265</b>

#### 3. Contract Assets

Item	June 30, 2025 (unaudited)			December 31, 2024		
	Balance	Impairment provision	Carrying amount	Balance	Impairment provision	Carrying amount
Contract assets arising from construction contracts	6,709,074	91,914	6,617,160	6,235,252	81,247	6,154,005
— Contract assets on service concession projects	1,743	24	1,719	1,743	23	1,720
— Contract assets on EPC projects	6,707,331	91,890	6,615,441	6,233,509	81,224	6,152,285
Retention receivable	931,757	12,765	918,992	894,324	11,782	882,542
Receivables under service concession arrangements	94,594	1,296	93,298	125,157	1,649	123,508
<b>Sub-total</b>	<b>7,735,425</b>	<b>105,975</b>	<b>7,629,450</b>	<b>7,254,733</b>	<b>94,678</b>	<b>7,160,055</b>
Less: Contract assets shown in other non-current assets	934,763	12,806	921,957	896,521	11,773	884,748
<b>Total</b>	<b>6,800,662</b>	<b>93,169</b>	<b>6,707,493</b>	<b>6,358,212</b>	<b>82,905</b>	<b>6,275,307</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIV. NOTES ON MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

#### 3. Contract Assets (continued)

##### (1) Significant changes in carrying amounts of contract assets in the period

Item	Change in amount	Reason for change
Phase 1.2 comprehensive energy project of 10,000-tonne lithium extraction from salt lake in Jietse Chaka, Ngari, Tibet	338,630	Increase in completed and unsettled projects in the period
SPIC Wuling Power Xia County 100MW wind power project EPC general contracting — construction and installation engineering	132,567	Increase in completed and unsettled projects in the period
80MW photovoltaic project in Algeria	123,657	Increase in completed and unsettled projects in the period
Huaneng Wanrong Bochang Phase I 100MW photovoltaic composite power generation project construction and installation engineering	116,835	Increase in completed and unsettled projects in the period
Centralized photovoltaic power generation project of Heyuan Nongkang Tea Oil and Fruit Development Co., Ltd.	90,657	Increase in completed and unsettled projects in the period
350MW low calorific value coal power generation EPC general contracting project of Hequ	79,112	Increase in completed and unsettled projects in the period
200MW wind power project EPC general contracting project of Three Gorges Energy Heilongjiang Zhaodong Dechang — construction and installation engineering	72,765	Increase in completed and unsettled projects in the period
200MW wind-storage integrated project in Tonghe, Heilongjiang Province	65,214	Increase in completed and unsettled projects in the period
General contracting for mechanical, electrical and decoration construction of No. 25 commercial complex on Miaoqian Street, Taiyuan City	59,333	Increase in completed and unsettled projects in the period
Section 2 of wind, water, electricity installation and decoration general contracting project of Hefei Xinqiao Airport S1 Line	41,968	Increase in completed and unsettled projects in the period
Dujiagou Gangue dump standardized disposal and ecological restoration project of Jinneng Holding Coal Group Madaotou Coal Industry Co., Ltd.	40,000	Increase in completed and unsettled projects in the period
100MW wind power project EPC general contracting in Ji County	31,281	Increase in completed and unsettled projects in the period

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIV. NOTES ON MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

#### 3. Contract Assets (continued)

##### (1) Significant changes in carrying amounts of contract assets in the period (continued)

Item	Change in amount	Reason for change
Copper concentrate comprehensive recovery project of Houma Beitong Copper Industry Co., Ltd. with an annual processing capacity of 1.5 million tonnes (optimized and changed to 800,000 tonnes)	26,614	Increase in completed and unsettled projects in the period
Holsinghe low-concentration gas distributed power generation project phase I EPC project of Shanxi Coking Coal Group New Energy Co., Ltd.	25,800	Increase in completed and unsettled projects in the period
Section 2 of Third Water Plant Phase II Project in Qinshui County	25,675	Increase in completed and unsettled projects in the period
Taiyuan Wusu Zero Carbon Airport Project — Energy station project with new development bank loan	24,560	Increase in completed and unsettled projects in the period
State Power Investment Corporation Boye 100,000-kilowatt wind power project	24,496	Increase in completed and unsettled projects in the period
<b>Total</b>	<b>1,319,164</b>	

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIV. NOTES ON MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

#### 3. Contract Assets (continued)

##### (2) Impairment provision of contract assets

Type	June 30, 2025 (unaudited)				Carrying amount
	Balance		Impairment provision		
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)	
Bad debt provision on an individual basis					
Bad debt provision on a group basis	7,735,425	100.00	105,975	1.37	7,629,450
— Group of contract assets on service concession projects	1,743	0.02	24	1.37	1,719
— Group of contract assets on EPC projects	6,707,331	86.71	91,890	1.37	6,615,441
— Group of retention receivable	931,757	12.05	12,765	1.37	918,992
— Receivables under service concession arrangements	94,594	1.22	1,296	1.37	93,298
Total	7,735,425	100.00	105,975	1.37	7,629,450

Continued:

Type	December 31, 2024				Carrying amount
	Balance		Impairment provision		
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)	
Bad debt provision on an individual basis					
Bad debt provision on a group basis	7,254,733	100.00	94,678	1.31	7,160,055
— Group of contract assets on service concession projects	1,743	0.02	23	1.32	1,720
— Group of contract assets on EPC projects	6,233,509	85.92	81,224	1.30	6,152,285
— Group of retention receivable	894,324	12.33	11,782	1.32	882,542
— Receivables under service concession arrangements	125,157	1.73	1,649	1.32	123,508
Total	7,254,733	100.00	94,678	1.31	7,160,055

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIV. NOTES ON MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

#### 3. Contract Assets (continued)

(3) Impairment provision of contract assets accrued, recovered or reversed in during the period

Item	December 31, 2024	Accrual during the period	Reversal during the period	Carry- forward/ write-off during the period	June 30, 2025 (unaudited)
Group of contract assets on service concession projects under construction contracts	23	1	—	—	24
Group of contract assets on EPC projects under construction contracts	81,224	10,666	—	—	91,890
Group of retention receivable from construction contracts	11,782	983	—	—	12,765
Receivables under service concession arrangements	1,649	-353	—	—	1,296
<b>Total</b>	<b>94,678</b>	<b>11,297</b>	<b>—</b>	<b>—</b>	<b>105,975</b>

#### 4. Long-term Equity Investments

Item	June 30, 2025 (unaudited)			December 31, 2024		
	Balance	Impairment provision	Carrying amount	Balance	Impairment provision	Carrying amount
Investment in subsidiaries	1,332,230	—	1,332,230	1,273,225	—	1,273,225
Investment in joint ventures	—	—	—	—	—	—
Investment in associates	266,773	—	266,773	210,244	—	210,244
<b>Total</b>	<b>1,599,003</b>	<b>—</b>	<b>1,599,003</b>	<b>1,483,469</b>	<b>—</b>	<b>1,483,469</b>

##### (1) Investment in subsidiaries

Investees	December 31, 2024	Increase in the period	Decrease in the period	June 30, 2025 (unaudited)	Impairment provision in the period	Closing balance of impairment provision
Shanxi Shan'an Bluesky Energy Conservation Technology Co., Ltd.	66,000	—	—	66,000	—	—
Shanxi Shan'an Maode Distributed Energy Technology Co., Ltd.	224,000	—	—	224,000	—	—
Shanxi Shan'an Maode Electricity Supply Co., Ltd.	20,000	—	—	20,000	—	—
Shanxi Shan'an Lide Environmental Technology Co., Ltd.	45,000	—	—	45,000	—	—
Shanxi Shan'an Biquan Haimian City Technology Co., Ltd.	69,046	7,050	—	76,096	—	—
Shanxi Ningyang Energy Co., Ltd.	30,824	—	—	30,824	—	—
Lingchuan Shan'an Construction Development Co., Ltd.	49,241	—	—	49,241	—	—
Gaoping City Shan'an Five Roads One River Construction Development Co., Ltd.	42,486	—	—	42,486	—	—

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIV. NOTES ON MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

#### 4. Long-term Equity Investments (continued)

##### (1) Investment in subsidiaries (continued)

Investees	December 31, 2024	Increase in the period	Decrease in the period	June 30, 2025 (unaudited)	Impairment provision in the period	Closing balance of impairment provision
Shanghai Shan'an Construction Engineering Co., Ltd.	40,000	—	—	40,000	—	—
Shanxi Zhuo'an Materials Trading Co., Ltd.	3,100	—	—	3,100	—	—
Huguan Shan'an Two Roads Three Streets Construction Development Co., Ltd.	54,835	—	—	54,835	—	—
Guangdong Shan'an Construction Engineering Co., Ltd.	6,000	—	—	6,000	—	—
Changzhi Shan'an Construction Development Co., Ltd.	36,000	—	—	36,000	—	—
Xinjiang Shan'an Waterwork Management Co., Ltd.	77,643	—	—	77,643	—	—
Qinshui Shan'an Culture and Sport Construction Development Co., Ltd.	64,090	—	—	64,090	—	—
Xiyang Shan'an Comprehensive Pipeline Construction Development Co., Ltd.	107,438	—	—	107,438	—	—
Jiexiu Shan'an Waterwork Construction Development Co., Ltd.	74,526	—	—	74,526	—	—
Liulin Shan'an Bluesky Heating Co., Ltd.	7,250	—	—	7,250	—	—
Xiangyuan Shan'an Road and Bridge Construction Development Co., Ltd.	23,954	—	—	23,954	—	—
Linfen Shan'an Waterwork Development Co., Ltd.	17,824	—	—	17,824	—	—
Australia Shan An Construction Engineering Pty Limited	2,784	—	—	2,784	—	—
Son Tay Viet Nam Construction Co., Ltd.	969	—	—	969	—	—
Yangquan Shan'an Construction Development Co., Ltd.	26,000	—	—	26,000	—	—
Qinshui Shan'an Construction Development Co., Ltd.	136,691	—	—	136,691	—	—
Jinzhong Shan'an Lide Solid Waste Utilization Technology Co., Ltd.	14,700	—	—	14,700	—	—
Yuanping Shan'an Biquan Waterwork Development Limited	12,250	—	—	12,250	—	—
Wenshui Shan'an Biquan Waterwork Development Limited	3,724	6,773	—	10,497	—	—
Shan'an Runxing New Energy (Lvliang) Co., Ltd.	5,100	—	—	5,100	—	—
Shan'an Installation Xiaoyi Construction Engineering Co., Ltd.	2,550	—	—	2,550	—	—
Chahar Right Rear Banner Shan'an Thermal Power Co., Ltd.	9,200	—	—	9,200	—	—
Siziwangqi Shan'an Thermal Power Co., Ltd.	—	14,700	—	14,700	—	—
Changzhi Caihui Shan'an Energy Technology Co., Ltd.	—	482	—	482	—	—
Xiyang Shan'an New Energy Co., Ltd.	—	30,000	—	30,000	—	—
<b>Total</b>	<b>1,273,225</b>	<b>59,005</b>	<b>—</b>	<b>1,332,230</b>	<b>—</b>	<b>—</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIV. NOTES ON MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

#### 4. Long-term Equity Investments (continued)

##### (2) Investment in associates and joint ventures

Investees	December 31, 2024	Additional/New investment	Investment reduction	Investment gains and losses recognized under the equity method	Increases and decreases in the period					June 30, 2025 (unaudited)	Closing balance of impairment provision
					Other comprehensive income adjustments	Other changes in equity	Declaration of cash dividends or profits	Impairment provision	Others		
① Associates											
Shanxi Transformation Comprehensive Reform Demonstration Zone Shan'an Xiaohu Construction Industry Co., Ltd.	14,019	—	—	-773	—	—	—	—	—	13,246	
Changzhi Caihui Shan'an Energy Technology Co., Ltd.	233	—	—	-233	—	—	—	—	—	—	
Shanxi Jianfa Comprehensive Energy Development Co., Ltd.	18,999	—	—	758	—	—	—	—	—	19,757	
Shanxi Jiantou International Investment Co., Ltd.	29,626	—	—	-1,798	—	—	—	—	—	27,828	
Shanxi Yu'an Hengchuang Construction Engineering Co., Ltd.	9,724	—	—	2	—	—	—	—	—	9,726	
Shanxi Jiantou Cloud Data Technology Co., Ltd.	8,818	—	—	1,214	—	—	—	—	—	10,032	
Shanxi Jiantou Linfen Construction Industry Co., Ltd.	14,854	7,000	—	-29	—	—	—	—	—	21,825	
Shanxi Jinjian Shan'an Equity Investment Partnership (Limited Partnership)	89,056	—	—	-1	—	—	—	—	—	89,055	
Taiyuan Xie'an Property Service Co., Ltd.	1,601	—	—	6	—	—	—	—	—	1,607	
Zhangzi Jinjian Flood Control and Drainage Project Management Co., Ltd.	8,314	—	—	2	—	—	—	—	—	8,316	
Linfen Shan'an Lide Construction Solid Waste Comprehensive Utilization Co., Ltd.	—	13,000	—	-91	—	—	—	—	—	12,909	
Shanxi Hangchan Energy Co., Ltd.	15,000	37,500	—	-28	—	—	—	—	—	52,472	
Sub-total	210,244	57,500	—	-971	—	—	—	—	—	266,773	
② Joint ventures	—	—	—	—	—	—	—	—	—	—	
Total	210,244	57,500	—	-971	—	—	—	—	—	266,773	

#### 5. Operating Revenue and Operating Costs

##### (1) Operating revenue and operating costs

Item	January to June 2025 (unaudited)		January to June 2024 (unaudited)	
	Revenue	Costs	Revenue	Costs
Principal businesses	5,180,809	4,717,963	5,475,730	4,998,711
Other businesses	11,866	2,946	5,683	725
<b>Total</b>	<b>5,192,675</b>	<b>4,720,909</b>	<b>5,481,413</b>	<b>4,999,436</b>



## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIV. NOTES ON MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

#### 5. Operating Revenue and Operating Costs (continued)

##### (2) Operating revenue and operating costs by type

Major type	January to June 2025 (unaudited)		January to June 2024 (unaudited)	
	Revenue	Costs	Revenue	Costs
<b>Principal businesses:</b>	<b>5,180,809</b>	<b>4,717,963</b>	5,475,730	4,998,711
1. Specialized industrial construction	<b>4,073,550</b>	<b>3,758,526</b>	3,931,423	3,555,638
— Construction income of service concession projects	—	—	813	774
— Construction income of EPC projects	<b>4,073,550</b>	<b>3,758,526</b>	3,930,610	3,554,864
2. Specialized auxiliary construction	<b>536,059</b>	<b>486,657</b>	751,987	713,202
— Construction income of service concession projects	<b>570</b>	<b>525</b>	69,130	31,371
— Construction income of EPC projects	<b>535,489</b>	<b>486,132</b>	682,857	681,831
3. Other construction	<b>501,012</b>	<b>421,070</b>	745,762	696,094
— Construction income of service concession projects	<b>114</b>	<b>85</b>	33,498	24,902
— Construction income of EPC projects	<b>500,898</b>	<b>420,985</b>	712,264	671,192
4. Non-construction business	<b>70,188</b>	<b>51,710</b>	46,558	33,777
— Trading	<b>23,581</b>	<b>17,944</b>	19,530	14,335
— Design fee	<b>20,393</b>	<b>11,346</b>	17,733	11,073
— Labor services fee	<b>26,214</b>	<b>22,420</b>	9,295	8,369
<b>Other businesses:</b>	<b>11,866</b>	<b>2,946</b>	5,683	725
— Lease	<b>9,225</b>	<b>1,475</b>	4,823	527
— Others	<b>2,641</b>	<b>1,471</b>	860	198
<b>Total</b>	<b>5,192,675</b>	<b>4,720,909</b>	5,481,413	4,999,436

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIV. NOTES ON MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

#### 5. Operating Revenue and Operating Costs (continued)

##### (3) Operating revenue and operating costs by geographical location

Major operating areas	January to June 2025 (unaudited)		January to June 2024 (unaudited)	
	Operating revenue	Operating costs	Operating revenue	Operating costs
China	4,983,310	4,548,050	5,276,274	4,806,435
Overseas	209,365	172,859	205,139	193,001
<b>Total</b>	<b>5,192,675</b>	<b>4,720,909</b>	<b>5,481,413</b>	<b>4,999,436</b>

##### (4) Breakdown of operating revenue

	January to June 2025 (unaudited)	January to June 2024 (unaudited)
<b>Timing of revenue recognition</b>		
Including: Recognized at a point in time	72,829	47,419
Recognized over time	5,110,621	5,429,171
<b>Total</b>	<b>5,183,450</b>	<b>5,476,590</b>

The above excludes rental income, which is recognized in accordance with the Accounting Standards for Business Enterprises No. 21.

##### (5) Remaining performance obligations

As at June 30, 2025, the transaction price allocated to unfulfilled performance obligations was RMB38,036,722,000. The expected time for recognizing such amount as revenue is as follows:

Expected time of revenue recognition	June 30, 2025 (unaudited)	December 31, 2024
Within 1 year	12,390,198	12,329,750
After 1 year but within 5 years	24,338,324	24,948,760
After 5 years	1,308,200	771,789
<b>Total</b>	<b>38,036,722</b>	<b>38,050,299</b>

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XIV. NOTES ON MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

#### 6. Investment Income

Item	January to June 2025 (unaudited)	January to June 2024 (unaudited)
Long-term equity investment income calculated using the cost method	90,268	—
Long-term equity investment income calculated using the equity method	-971	-705
Investment gains from disposal of equity	-294	—
<b>Total</b>	<b>89,003</b>	<b>-705</b>

### XV. SUPPLEMENTARY INFORMATION

#### 1. Breakdown of Extraordinary Items for the Current Period

Item	January to June 2025 (unaudited)	Explanation
Gains and losses from disposal of non-current assets	415	
Government subsidies recognized in current profit or loss, except government subsidies which are closely related to the Company's normal business operations, which comply with national policies and can be obtained continuously based on a set of standards by fixed amount or fixed quantity	2,850	
Capital occupation fees charged from the non-financial enterprises	—	
Gains when the investment cost of acquiring a subsidiary, an associate and a joint venture is less than the fair value of the identifiable net assets of the investee	—	
Gains and losses from changes in fair value of investment properties subsequently measured in the fair value model	1,025	

## Notes to the Financial Statements

January to June 2025 (unless otherwise specified, all monetary units are in Renminbi thousand)

### XV. SUPPLEMENTARY INFORMATION (continued)

#### 1. Breakdown of Extraordinary Items for the Current Period (continued)

Item	January to June 2025 (unaudited)	Explanation
Other non-operating revenue and expenses other than the above	-95	
Total extraordinary items	4,195	
Less: Income tax impact on extraordinary items	358	
<b>Net extraordinary items</b>	<b>3,837</b>	
Less: Net impact of extraordinary items attributable to minority shareholders, net of tax	288	
<b>Extraordinary items attributable to the ordinary shareholders of the Company</b>	<b>3,549</b>	

#### 2. Return on Net Asset and Earnings per Share

Profit for the Reporting Period	Weighted average return on net asset %	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to the ordinary shareholders of the Company	2.3	0.05	0.05
Net profit attributable to the ordinary shareholders of the Company after deducting extraordinary items	2.2	0.05	0.05

Shanxi Installation Group Co., Ltd.  
August 27, 2025



## DEFINITIONS



"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of the Company
"Board of Supervisors"	the board of Supervisors of the Company
"Central SASAC"	State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
"CG Code"	Corporate Governance Code as contained in Appendix C1 to the Hong Kong Listing Rules
"China" or "PRC"	the People's Republic of China
"Company" or "our Company"	Shanxi Installation Group Co., Ltd. (山西省安裝集團股份有限公司) (formerly known as Shanxi Industrial Equipment Installation Company* (山西省工業設備安裝公司), Shanxi Industrial Equipment Installation Co., Ltd.* (山西省工業設備安裝有限公司) and Shanxi Industrial Equipment Installation Group Co., Ltd.* (山西省工業設備安裝集團有限公司)), a company established under the laws of the PRC on November 20, 1989 whose H shares are listed on the Hong Kong Stock Exchange
"Director(s)"	the director(s) of the Company
"EPC" or "EPC Projects"	engineering, procurement and construction, a common form of contracting model whereby the contractor is commissioned by the project owner to carry out such project work as survey, design, procurement, construction testing and commissioning of an engineering project, or any combination of the above, either through the contractor's own labor or by subcontracting part or all of the project work, and be responsible for the quality, safety, timely delivery and cost of the project
"Group"	the Company and its subsidiaries
"H Share(s)"	ordinary share(s) issued by the Company with a nominal value of RMB1.00 each, which is/are listed on the Hong Kong Stock Exchange and overseas listed foreign share(s) traded in Hong Kong dollars
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

## Definitions

"Latest Practicable Date"	September 26, 2025, being the latest practicable date prior to the publication of this interim report for the purpose of ascertaining certain information contained herein
"LNG"	liquified natural gas
"Macau"	the Macao Special Administrative Region of the PRC
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
"Nomination Committee"	the nomination committee of the Board
"PPP"	public-private partnership, a partner relationship based on a framework agreement and formed between the government and private organizations for co-construction of infrastructure projects or providing certain public goods and services
"Prospectus"	the prospectus issued by the Company dated November 10, 2023
"Reporting Period"	the six months ended June 30, 2025
"RMB"	Renminbi, the lawful currency of the PRC
"SCIG Group"	Shanxi CIG and its subsidiaries, for the purpose of this interim report, except the Group
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Shan'an Bluesky"	Shanxi Shan'an Bluesky Energy Conservation Technology Co., Ltd.* (山西山安藍天節能科技股份有限公司), a company incorporated in the PRC, whose shares are listed on the NEEQ, and a subsidiary of the Company
"Shan'an Lide"	Shanxi Shan'an Lide Environmental Technology Company Limited* (山西山安立德環保科技有限公司) (formerly known as Shanxi Shan'an Lide Energy Reservation Technology Company Limited (山西山安立德節能科技有限公司)), a company incorporated in the PRC and a wholly-owned subsidiary of the Company
"Shanxi CIG"	Shanxi Construction Investment Group Co., Ltd.* (山西建設投資集團有限公司), a state-owned company established under the laws of the PRC and our Controlling Shareholder
"Shanxi SASAC"	State-owned Assets Supervision and Administration Commission of the People's Government of Shanxi Province (山西省人民政府國有資產監督管理委員會)



## Definitions

"Share(s)"	comprising domestic Shares and H Shares
"Shareholder(s)"	shareholder(s) of the Company, including holder(s) of domestic Shares and holder(s) of H Shares
"Supervisor(s)"	the supervisor(s) of the Company
"treasury shares"	has the meaning ascribed to it by the Hong Kong Listing Rules
"2025 Interim Report"	the interim report of the Group for the six months ended June 30, 2025
"% "	per cent



山西安装