



北京城建设计发展集团股份有限公司

BEIJING URBAN CONSTRUCTION DESIGN & DEVELOPMENT GROUP CO., LIMITED

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

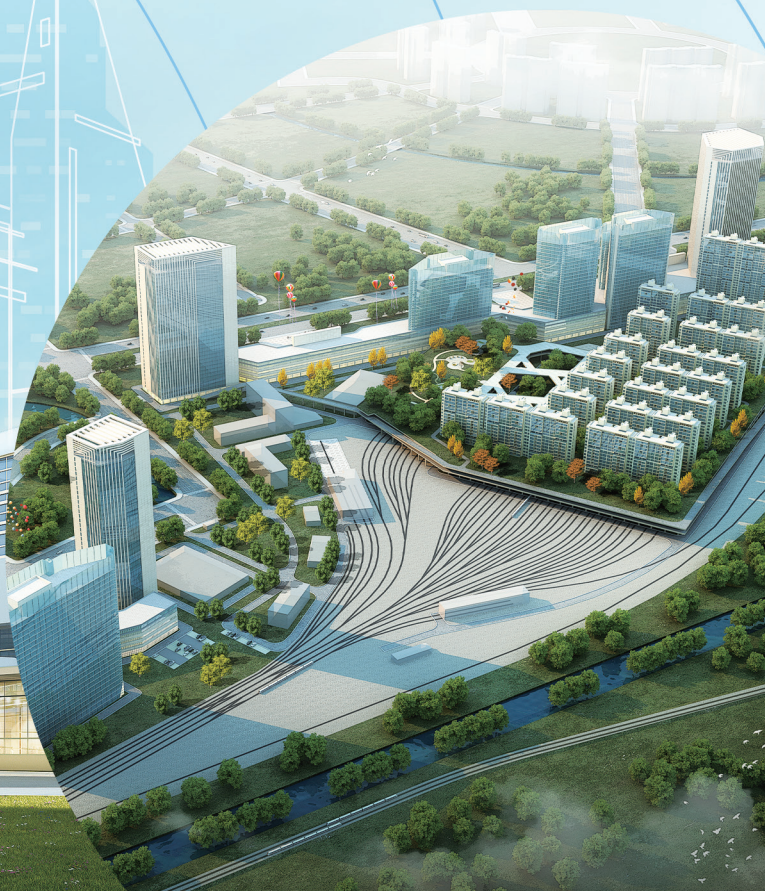
Stock Code: 1599

2025

Interim Report



DESIGN THE CITY
BUILD THE FUTURE



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DEFINITIONS

In this interim report, the following expressions shall have the following meanings unless the context otherwise requires:

"Articles of Association"	the Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited
"Beijing Investment Company"	Beijing Infrastructure Investment Co., Ltd. (北京市基礎設施投資有限公司)
"Board" or "Board of Directors"	the board of Directors of the Company
"Board of Supervisors"	the board of Supervisors of the Company
"BUCG"	Beijing Urban Construction Group Co., Ltd. (北京城建集團有限責任公司) (the controlling shareholder of the Company)
"Company"	Beijing Urban Construction Design & Development Group Co., Limited (北京城建設計發展集團股份有限公司)
"Company Law"	the Company Law of the People's Republic of China (中華人民共和國公司法), as may be amended, supplemented and otherwise modified from time to time
"Corporate Governance Code"	the corporate governance code as set out in Appendix C1 to the Hong Kong Listing Rules
"Director(s)"	director(s) of the Company
"Domestic Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and are unlisted shares which are currently not listed or traded on any stock exchange
"Group", "us" or "we"	the Company and its subsidiaries
"H Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

DEFINITIONS (CONTINUED)

"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
"MOF"	the Ministry of Finance of the PRC
"NDRC"	the National Development and Reform Commission of the PRC
"PRC" or "China"	the People's Republic of China
"Reporting Period"	the six months ended 30 June 2025
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Share(s)"	ordinary share(s) of the Company, including H Share(s) and Domestic Share(s)
"Supervisor(s)"	supervisor(s) of the Company
"%"	per cent

CORPORATE INFORMATION

REGISTERED NAME:

Chinese:

北京城建設發展集團股份有限公司

English:

Beijing Urban Construction Design &
Development Group Co., Limited

LISTING PLACE OF H SHARES:

The Stock Exchange of Hong Kong Limited

TYPE OF STOCK:

H Share

STOCK NAME:

UCD

STOCK CODE:

1599

H SHARE REGISTRAR:

Computershare Hong Kong Investor Services Limited

REGISTERED OFFICE:

5 Fuchengmen North Street, Xicheng District,
Beijing, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG:

40th Floor, Dah Sing Financial Centre,
No. 248 Queen's Road East,
Wanchai, Hong Kong

LEGAL REPRESENTATIVE:

Mr. Pei Hongwei

SECRETARY OF THE BOARD:

Mr. Xuan Wenchang

COMPANY SECRETARY:

Mr. Xuan Wenchang

WEBSITE:

www.bjucd.com

AUDITOR:

Da Hua Certified Public Accountants
(Special General Partnership)
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISORS:

As to Hong Kong Laws:

Clifford Chance

As to PRC Laws:

Beijing Ocean Law Firm

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY

In the first half of 2025, construction investment in the urban rail transit industry in China continued to slow down, and the difficulty for enterprises to maintain stable development increased. The Company strengthened collaborative marketing across the entire industry chain through its 10 marketing centers nationwide, continuously solidified its advantageous areas, comprehensively consolidated its development foundation, and solidly promoted quality improvement and efficiency enhancement, achieving new results and progress in various aspects of its work.

For the six months ended 30 June 2025, the Group's revenue amounted to RMB3,586 million, representing a decrease of RMB593 million or 14.19% as compared to the revenue of RMB4,179 million for the corresponding period of last year. The Group's net profit amounted to RMB239 million, representing a decrease of RMB132 million or 35.58% as compared to the net profit of RMB371 million for the corresponding period of last year.

SUMMARY OF OPERATING RESULTS*

	For the six months ended 30 June	
	2025	2024
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Operating revenue	3,586,319	4,178,988
Operating cost	(2,893,377)	(3,363,630)
Gross profit	692,942	815,358
Tax and surcharge	(17,976)	(7,953)
Selling expenses	(26,749)	(28,684)
Administrative expenses	(223,214)	(227,802)
Research and development expenses	(141,896)	(147,642)
Finance costs	55,300	51,082
Other income	3,683	1,528
Investment income	44,267	71,350
Gain/(loss) on change in fair value	1,356	(3,708)
Credit impairment losses	(18,321)	(48,445)
Impairment losses on assets	(75,834)	(52,456)
Gains from disposal of assets	623	466
Operating profit	294,181	423,094
Non-operating revenue	1,167	8,687
Non-operating expenditure	(3,517)	(669)
Total profit	291,831	431,112
Income tax expense	(52,442)	(60,327)
Net profit	239,389	370,785

* Given that the Board of the Company resolved on 15 May 2025 to adopt the China Accounting Standards for Business Enterprises for the preparation of financial accounting reports, both the Group's interim financial accounting report for 2025 and the comparative data for the six months ended 30 June 2024 have been prepared in accordance with the China Accounting Standards for Business Enterprises.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

REVENUE

The Group generates its revenue from the design, survey and consultancy business segment as well as the construction contracting business segment where the Group provides services for project construction. For the six months ended 30 June 2025, the Group achieved a revenue of RMB3,586 million, representing a decrease of RMB593 million or 14.19% as compared to the revenue of RMB4,179 million for the corresponding period of last year. The decrease was mainly due to the reduced commencement volume for construction projects.

Revenue by business segment is as follows:

Products by industry	For the six months ended 30 June	
	2025	2024
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Design, survey and consultancy business	1,993,527	2,017,527
Construction contracting business	1,592,792	2,161,461
Total	3,586,319	4,178,988

DESIGN, SURVEY AND CONSULTANCY BUSINESS SEGMENT

The design, survey and consultancy segment includes design, survey and consultancy services for urban rail transit construction as well as industrial and civil construction and municipal engineering. The design, survey and consultancy business segment has been the traditional and core business of the Group. In the first half of 2025, the Group won bids for key projects in the rail transit field including Chengdu Line 27 Phase II and Xiamen-Zhangzhou-Quanzhou Intercity Railway (Xiamen Section), and undertook network planning and construction planning tasks for cities such as Shaoxing, Chengdu and Jinan, laying a solid foundation for subsequent market expansion. Significant achievements were made in the existing line renovation market, with the Group winning bids for over 10 projects in Beijing, Nanjing, Tianjin, Harbin and other cities, maintaining its leading market share. We will foster new businesses, and strive to expand emerging businesses such as intelligent computing, photovoltaics, autonomous driving, water environment management, urban renewal and urban lifelines. New areas such as ecological environment governance, urban renewal, military-civilian integration and beautiful rural areas are growing rapidly.

For the six months ended 30 June 2025, revenue from the design, survey and consultancy segment business of the Group amounted to RMB1,993 million, representing a decrease of RMB25 million or 1.24% as compared to RMB2,018 million for the corresponding period in 2024. Among which, the revenue from the urban rail transit construction segment amounted to RMB1,410 million, representing a decrease of RMB109 million or 7.18% as compared to RMB1,519 million for the corresponding period of last year. Revenue from the industrial and civil construction and municipal engineering segment was RMB583 million, representing an increase of RMB85 million or 17.07% as compared to RMB498 million for the corresponding period of last year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

CONSTRUCTION CONTRACTING BUSINESS SEGMENT

For the construction contracting business segment which focuses on serving urban rail transit construction projects and related infrastructure construction projects, in the first half of 2025, the Group won the bids for the projects of Beijing R4 Line Phase I North Section, Hanyuan County Municipal Road Renovation Project in Sichuan Province and Qingdao Metro Depot Photovoltaic EPC. The construction contracting projects on hand are mainly located in cities such as Beijing, Guangzhou, Chongqing, Urumqi, Nanjing and Qingdao.

For the six months ended 30 June 2025, the Group's revenue from the construction contracting business segment was RMB1,593 million, representing a decrease of RMB568 million or 26.28% as compared to RMB2,161 million for the corresponding period of last year.

OPERATING COST

For the six months ended 30 June 2025, the operating cost incurred by the Group was RMB2,893 million, representing a decrease of RMB471 million or 14.00% as compared to RMB3,364 million for the corresponding period of last year. The Company reasonably determined the budget revenue and expenditure scale, strictly controlled unnecessary and non-urgent expenditures, achieving certain results in costs reduction and efficiency enhancement.

For the six months ended 30 June 2025, operating cost of the Group's design, survey and consultancy segment increased by 0.35% to RMB1,418 million for the current period from RMB1,413 million for the corresponding period of last year. Among that, the operating cost of the urban rail transit business of the Group's design, survey and consultancy segment decreased by 6.18% to RMB956 million for the current period from RMB1,019 million for the corresponding period of last year. The operating cost of the industrial and civil construction and municipal engineering business of the design, survey and consultancy segment increased by 17.26% to RMB462 million for the current period from RMB394 million for the corresponding period of last year.

For the six months ended 30 June 2025, the operating cost of the Group's construction contracting segment decreased by 24.36% to RMB1,475 million for the current period from RMB1,950 million for the corresponding period of last year. Such decrease was 1.92% lower than the decrease in revenue.

GROSS PROFIT AND GROSS MARGIN

For the six months ended 30 June 2025, the gross profit of the Group was RMB693 million, representing a decrease of RMB122 million or 14.97% as compared to RMB815 million for the corresponding period of last year, while the consolidated gross margin was 19.32%, representing a slight decrease as compared to 19.51% for the corresponding period of last year.

The gross profit of design, survey and consultancy segment decreased to RMB575 million for the current period from RMB604 million for the corresponding period of last year, representing a decrease of RMB29 million or 4.80%. The gross margin was 28.86% for the current period, which decreased from 29.95% for the corresponding period of last year. Such decrease was mainly due to the decrease in the proportion of the rail transit business, which has a relatively higher gross profit margin. The gross profit of the construction contracting segment decreased from RMB211 million for the corresponding period of last year to RMB118 million for the current period, representing a decrease of RMB93 million or 44.08%. The gross margin decreased from 9.77% for the corresponding period of last year to 7.38% for the current period.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

SELLING EXPENSES

For the six months ended 30 June 2025, the selling expenses of the Group were RMB26.75 million, representing a decrease of RMB1.93 million or 6.73% as compared to RMB28.68 million for the corresponding period of last year, which was mainly attributable to the Group's enhanced synergistic development, consolidation of sales resources and reasonable expenditure control.

ADMINISTRATIVE EXPENSES

For the six months ended 30 June 2025, the administrative expenses of the Group were RMB223.21 million, representing a decrease of RMB4.59 million or 2.01% as compared to RMB227.80 million for the corresponding period of last year, which was mainly attributable to the Group's strengthened budget management and strict control over non-operating expenditures.

RESEARCH AND DEVELOPMENT EXPENSES

For the six months ended 30 June 2025, the research and development expenses of the Group were RMB141.90 million, representing a decrease of RMB5.74 million or 3.89% as compared to RMB147.64 million for the corresponding period of last year, which was mainly attributable to the Group's integration of internal research and development resources and improvement in resource utilisation efficiency.

FINANCE COSTS

For the six months ended 30 June 2025, finance costs of the Group were RMB-55.30 million, representing a decrease of RMB4.22 million or 8.26% as compared to RMB-51.08 million for the corresponding period of last year, which was mainly attributable to the decrease in interest expenses resulting from the decrease of borrowing interest rate.

INVESTMENT INCOME

For the six months ended 30 June 2025, the investment income of the Group was RMB44.27 million, representing a decrease of RMB27.08 million or 37.95% as compared to RMB71.35 million for the corresponding period of last year, which was mainly attributable to the decrease in net profit from joint ventures and associates.

CREDIT IMPAIRMENT LOSSES

For the six months ended 30 June 2025, the credit impairment losses of the Group were RMB18.32 million, representing a decrease in credit impairment losses of RMB30.13 million or 62.19% as compared to RMB48.45 million for the corresponding period of last year, which was mainly attributable to the intensified collection efforts, resulting in the recovery of certain long-standing accounts receivable.

IMPAIRMENT LOSSES ON ASSETS

For the six months ended 30 June 2025, the impairment losses on financial assets and contract assets of the Group amounted to RMB75.83 million, representing an increase of RMB23.37 million or 44.55% as compared to RMB52.46 million for the corresponding period of last year, which was mainly attributable to the increase of long-aged contract assets, leading to the provision of impairment losses.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INCOME TAX EXPENSE

For the six months ended 30 June 2025, the income tax expense of the Group was RMB52.44 million, representing a decrease of RMB7.89 million or 13.08% as compared to RMB60.33 million for the corresponding period of last year, which was mainly attributable to the decrease in current income tax expense.

NET PROFIT

For the six months ended 30 June 2025, the Group's net profit for the period was RMB239 million, representing a decrease of RMB132 million or 35.58% as compared to net profit of RMB371 million for the corresponding period of last year.

CASH FLOWS

The table below sets forth the cash flows of the Group for the indicated periods:

	For the six months ended 30 June	
	2025	2024
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Net cash outflows from operating activities	(1,039,803)	(721,076)
Net cash outflows from investing activities	(24,416)	(87,615)
Net cash outflows from financing activities	(123,581)	(263,928)
Net decrease in cash and cash equivalents	(1,187,800)	(1,072,619)

From January to June 2025, net cash outflows from operating activities were RMB1,040 million, which was mainly attributable to the fact that the operating receipts were less than the operating payments during the period. The net cash outflows from investing activities were RMB24 million, which was mainly attributable to the expenditure for purchase of fixed assets and intangible assets. The net cash outflows from financing activities were RMB124 million, which was mainly due to the Company's net increase in short-term bank borrowings of RMB29 million and repayment of interest expenses on borrowings of approximately RMB101 million during the year.

PLEDGE OF ASSETS

For the six months ended 30 June 2025, the contract assets, account receivables and intangible assets of the Group were pledged to secure the certain bank borrowings granted to the Group. As at 30 June 2025, the net pledged receivables and intangible assets were RMB6,321 million (as at 31 December 2024: RMB6,224 million).

CONTINGENT LIABILITIES

For the six months ended 30 June 2025, there were no other significant contingent liabilities of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

CAPITAL COMMITMENT

The capital commitments of the Group as at 30 June 2025 and 31 December 2024 were as follows:

	30 June 2025 (RMB'000) (Unaudited)	31 December 2024 (RMB'000) (Audited)
Contracted, but not provided for:		
Property, plant and equipment	146,998	150,149
Equity investments	1,092,871	1,083,871

CAPITAL STRUCTURE AND FINANCIAL RESOURCES

The equity capital of the Group mainly comprises Domestic Shares and H Shares. Indebtedness capital mainly consists of bank and other borrowings. In addition, ordinary business operation also provides the Group with source of funding. As of 30 June 2025, the net current assets of the Group were RMB2,424 million, among which cash and cash equivalents amounted to RMB1,855 million. The Group had a healthy liquidity position and access to diversified financing methods and channels, including bank financing for its operating needs.

As at 30 June 2025, the Group's interest-bearing borrowings were RMB6.658 billion while the gearing ratio (gearing ratio represents the total interest-bearing borrowings as of 30 June 2025 divided by the total equity as at 30 June 2025) was 82.99%.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INDEBTEDNESS

The table below sets forth the total borrowings of the Group as at 30 June 2025 and 31 December 2024. The Group generally settles the borrowings on time.

	As at 30 June 2025 (RMB'000) (Unaudited)	As at 31 December 2024 (RMB'000) (Audited)
Bank borrowings		
Pledged	4,674,212	4,757,366
Non-pledged and non-guaranteed	542,602	429,529
Other borrowings		
Non-pledged and non-guaranteed	1,176,699	1,164,314
Lease liabilities		
Non-pledged and non-guaranteed	264,216	267,628
	6,657,729	6,618,837

As at 30 June 2025, the Group's borrowings were denominated in RMB with interest ranging from 1.81% to 4.90%.

The table below sets forth the maturity of the Group's debts as at 30 June 2025 and 31 December 2024:

	As at 30 June 2025 (RMB'000) (Unaudited)	As at 31 December 2024 (RMB'000) (Audited)
Within one year	1,731,843	1,599,023
In the second year	385,909	450,593
In the third to fifth years, inclusive	1,199,502	2,464,499
Over five years	3,340,475	2,104,722
Total	6,657,729	6,618,837

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

SIGNIFICANT INVESTMENT

The main business of Yunnan Jingjian Rail Transit Investment and Construction Co., Ltd. is the investment, construction and operation & maintenance of construction projects. Investing in Yunnan Jingjian Rail Transit Investment and Construction Co., Ltd. is conducive to promoting the need of the Company to enhance profitability, and is conducive to the Company's market expansion and industrial chain integration. As at 30 June 2025, the investment amount was RMB2.098 billion, accounting for 8.9% of the total asset value as at 30 June 2025, and the details of this significant investment by the Company are as follows:

Company name	Main business	Number of shares held by the Company	Shareholding of the Company	Cost of investment (RMB'000)	Income on investment for the period (RMB'000)
Yunnan Jingjian Rail Transit Investment and Construction Co., Ltd.	Construction management of urban rail transit construction (section B), investment and financing related to operation, operation and management, mechanical and electrical equipment renovation, ticket management, commercial property development along the line, house lease along the line, advertising design, production, agency and release along the line, resource development of rail transit station and underground space, development, operation and management of import and export resources of Kunming Rail transit Line 4 (projects that must be approved legally can be carried out after approval from relevant authorities).	78,280,000	78.28%	1,634,327	36,545

EXCHANGE RATE RISK

The business operations of the Group are mainly in China with most of its transactions settled in RMB. The assets and liabilities and transactions from operations of the Group that involve exchange rate risk are mainly related to U.S. dollars and HK dollars. The Directors of the Company believe that the exchange rate risk of the Group is low and will not have a material and adverse impact on the financial position of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

BID WINNING

As of 30 June 2025, the Company won the bid totaling RMB2.541 billion, including bid winning for design, survey and consultancy totaling RMB1.367 billion, and projects were distributed in Beijing, Nanjing, Xiamen, Chengdu, Qingdao, Zhengzhou and other regions, and construction general contracting business won the bid totaling RMB1.174 billion, and projects were distributed in Beijing, Lhasa, Qingdao and other regions.

EMPLOYEES

As of 30 June 2025, the Group had approximately 4,629 employees, representing a decrease of 6% as compared with that at the end of the corresponding period of last year. As of 30 June 2025, employees with senior titles, employees with intermediate titles and employees with primary titles or below accounted for 44%, 37% and 19% of the total number of employees of the Group, respectively. Among which, the ratio of employees with senior titles has increased by 3%. During the Reporting Period, there was no change in the remuneration policy and training plan of the Group.

EVENTS AFTER THE BALANCE SHEET DATE

The Group did not have any significant events after the balance sheet date.

PROFIT DISTRIBUTION AND DIVIDENDS

The Group will not make distribution of its interim profit and does not propose the payment of an interim dividend.

COMPANY-WIDE MANAGEMENT MEASURES IN THE SECOND HALF OF 2025

In the second half of 2025, the Company will continue to adhere to the main working principles of “market expansion, reform and innovation, and quality improvement and efficiency enhancement”, resolutely prioritize the expansion of the market through the synergy of the entire industrial chain, fully stabilize the development fundamentals, accelerate the exploration of new models, new areas and new tracks, consolidate internal controls, comprehensively reduce costs and increase efficiency, work diligently, strive for progress, and endeavor to achieve the annual work goals.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Company's specific management measures in the second half of 2025 include the following four areas:

1. Stabilizing the design and consulting market size

Leveraging the network of ten major marketing centers and full industrial chain collaboration, the Company will closely follow up on the approval progress of urban rail transit construction plans in various regions, focusing on tracking overall design projects in cities such as Chengdu, Nanjing, Shaoxing, Xi'an, Fuzhou, Xiamen and Suzhou. The Company will expand new businesses such as existing line renovation, urban renewal, new energy development, digital intelligence and urban lifelines, and deepen the leading role of high-end consulting services. The Company will intensively cultivate segmented markets such as assessment and review, cost consulting, passenger flow improvement consulting and whole-process consulting. Civil construction and municipal businesses will develop in a differentiated and specialized manner, continuously cultivating traditional businesses such as residential, TOD integration, transportation hubs and over-track development, and vigorously expanding emerging businesses such as autonomous driving, photovoltaics and high-standard farmland, striving for new breakthroughs.

2. Promoting the scale development of general contracting

The Company will focus on project management, strengthen the guarantee of production factors, and ensure high-quality performance of projects on hand; closely follow urban rail transit projects in Beijing, Xuzhou, Guangzhou, Shenzhen, Xi'an and other cities, and make every effort to complete the annual marketing targets; strengthen EPC business collaborative marketing, promote the implementation of more projects, and become a new fulcrum for the Company's scale development.

3. Accelerating breakthroughs in new businesses and fully foster the development of new businesses

The Company will accelerate the activation of technology industrialization market functions, build a complete business development chain of "product end, market end and delivery end", and form a closed-loop development capability; open up the "last mile" for the application of existing products, especially seizing industrialization carriers such as existing line renovation, urban renewal, green and low-carbon development, urban lifeline and low-altitude economy, to drive the implementation of products such as energy storage products, photovoltaic noise barriers, urban simulation platforms, intelligent identification models for hidden dangers and industrialized interior decoration, and strive to open up a new situation for the development of the technology industry.

4. Focusing on strengthening the Company through management

The Company will continuously improve cash flow, firmly anchor collection targets, strengthen collection coordination, implement debt collection responsibilities, and fully guarantee the security of the capital chain; focus on reducing the scale of completed but unsettled projects, intensify project confirmation and settlement efforts, promote the settlement of key projects within the year, and continuously reduce the outstanding balance of “two funds” (receivables and inventories); implement refined management, reduce costs and enhance efficiency, improve efficiency through informatization, and comprehensively enhance profitability; create industry benchmark activities, maintain proper information disclosure, and establish a positive image in the capital market.

MARKET LANDSCAPE AND BUSINESS OUTLOOK

On 6 January 2025, the National Development and Reform Commission and two other departments issued the “Guidelines for the Development of National Data Infrastructure 《國家數據基礎設施建設指引》”. It proposes that by 2029, the main structure of the national data infrastructure will be basically completed, and a basic pattern of national data infrastructure featuring horizontal connectivity, vertical integration and strong coordination will be initially formed.

On 22 January 2025, the Central Committee of the Communist Party of China and the State Council issued the “Plan for All-around Rural Revitalization (2024-2027) 《鄉村全面振興規劃(2024-2027年)》”. The plan emphasizes promoting the upgrading of infrastructure. Great efforts should be made to improve the accessibility of the road network and accelerate the upgrading of the rural road backbone network and the extension and connection of the basic network, so as to deepen the high-quality development of “High-quality Rural Roads (四好農村路)” and integrated urban-rural transportation.

On 8 April 2025, the General Office of the Ministry of Finance and the General Office of the Ministry of Housing and Urban-Rural Development issued a notice on carrying out the 2025 Central Government Financial Support for Urban Renewal Actions. It mentions that through three years of exploration, the level of infrastructure such as urban underground pipelines will be significantly improved, the efficiency of domestic sewage collection and treatment will be further enhanced, and notable results will be achieved in the construction of livable environments in old urban areas, forming a replicable and promotable model and experience.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

On 11 April 2025, the People's Bank of China and three other departments jointly issued the "Guiding Opinions on Financial Support for the High-Quality Development of the Sports Industry 《關於金融支持體育產業高質量發展的指導意見》". It is proposed to strengthen financial support for sports infrastructure construction. Great efforts should be made to actively support the construction of major engineering and key projects in the sports sector and increase support for the construction and operation of sports infrastructure, including stadiums, comprehensive sports service complexes and ice and snow sports venues.

On 25 April 2025, the Ministry of Transport and nine other departments issued the Guiding Opinions on Promoting the Integrated Development of Transport and Energy 《關於推動交通運輸與能源融合發展的意見》, improving supporting policies. It is encouraged that the nearby consumption of new energy within the right-of-way of transportation infrastructure. Great efforts should be made to support distributed new energy power generation along transportation infrastructure to participate in market-oriented transactions, so as to promote the nearby consumption of distributed new energy.

On 15 May 2025, the General Office of the Central Committee and the General Office of the State Council issued the "Guidelines on Advancing Urban Renewal Campaign 《關於持續推進城市更新行動的意見》". Great efforts should be made to strengthen the construction and renovation of urban infrastructure, comprehensively investigate risks and hidden dangers in urban infrastructure, promote the integrated development and comprehensive utilization of underground space, accelerate the construction and renovation of underground pipelines and networks for urban gas, water supply, drainage, sewage and heating, as well as integrated underground utility tunnels, and improve long-term management systems for construction, operation and maintenance.

URBAN RAIL TRANSIT

As of 30 June 2025, a total of 12,381.48 kilometers of urban rail transit lines have been put into operation in 58 cities in Mainland China, of which 220.70 kilometers of new urban rail transit operating lines were added in the first half of 2025, with no new cities operating urban rail transit.

In April 2025, the Ministry of Transport revised the "Measures for Administration of the Operation of Urban Rail Transportation 《城市軌道交通行車組織管理辦法》" (Jiao Yun Gui [2025] No. 2) and the "Administrative Measures for Urban Rail Transit Passenger Transport Organization and Service 《城市軌道交通客運組織與服務管理辦法》" (Jiao Yun Gui [2025] No. 3), providing more comprehensive institutional norms for urban rail transit operation and management. Firstly, the principle of unified command for traffic organization and dispatch has been enhanced. Second, the organization and management of abnormal train operations have been strengthened. Third, the relevant train operation organization and management requirements have been improved in conjunction with the development of new technologies. Fourth, the requirements for passenger transport emergency response have been improved. Fifth, the barrier-free service requirements have been improved. Sixth, the requirements for integrated services have been improved.

The urban rail transit industry has shifted from high-speed growth to high-quality development, with a greater focus on technological innovation, the establishment of standard systems and the improvement of operational efficiency. The urban rail transit industry faces multiple challenges and opportunities, including inventory optimization, intelligent transformation, green and low-carbon development, regional integration and internationalization.

RAIL TRANSIT SYNERGIZING WITH INNOVATIVE CONSTRUCTION

The Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and Vision 2035 of the People's Republic of China (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》) proposes to improve the market-oriented mechanism for technological innovation, strengthen the principal position of enterprises in innovation, promote the concentration of various innovation elements towards enterprises, and form a technological innovation system with enterprises as the main body, market-oriented, and deeply integrated with industry, academia, research and application.

In 2025, the Company's projects "Key Technologies and Applications for Efficient Operation and Management of Ultra-large-scale Metro Networks (超大規模地鐵網絡高效運行管控關鍵技術及應用)", "Key Technologies for Efficient Construction and Safety Control of Large Shield Tunnels in Highly-Developed Karst Strata (海城岩溶強發育地層大盾構隧道高效建造與安全管控關鍵技術)" and "Intelligent Online Monitoring and Maintenance Technology for the status of Urban Rail Transit Underground Infrastructure and Its Application (城市軌道交通地下基礎設施狀態智能在線監測與管養技術及應用)" were awarded the Special Prize, First Prize and Second Prize for Scientific and Technological Progress by the China Communications and Transportation Association in 2024, respectively. The Company undertook major projects such as the Xiong'an Innovation Key Special Program of the Ministry of Science and Technology, the Research Special Program of the Ministry of Housing and Urban-Rural Development and provincial scientific and technological special programs. Continuously researching in areas such as underground space, underground pipelines, underground utility tunnels and integrated transportation, the Company invented wireless IoT sensing and computing technologies and equipment applicable to enclosed underground spaces, and developed scientific research achievements such as underground space management and control technologies and platforms based on city-level intelligent infrastructure. In the future, the Company will continue to innovate in areas such as high-quality construction of underground infrastructure, renewal of underground pipelines, lifeline monitoring and vehicle-road-cloud integration.

SURVEY AND MEASUREMENT

The update and iteration speed of high-precision measurement equipment and software is accelerating. Some enterprises focus on the research and development of high-precision survey and measurement equipment and the construction of production service systems, providing comprehensive survey and measurement solutions and high-quality after-sales services. Large-scale geological survey institutions, professional geological measurement companies and scientific research institutions, and internal geological measurement departments of some large construction enterprises have significant advantages in traditional fields such as geological mapping and mineral resource exploration, and are also deeply involved in environmental geology and engineering geology. Henan Province proposed to utilize modern surveying and mapping technology to conduct a comprehensive survey of urban underground pipelines, in order to enhance the level of urban management. Regional markets show unbalanced development, with Hubei Province being particularly prominent, as its revenue from survey and design industry ranks "first in Central China and third nationwide". In comparison, enterprises need to enhance market competitiveness by providing diversified integrated technical services and one-stop full-process services to meet customers' diverse needs.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

With the acceleration of urbanization, the demand for surveying services in infrastructure construction is growing. The increasing demand for environmental governance and geological disaster prevention has led to higher technical service requirements for high-precision, high-efficiency geological survey and measurement services. In the future, traditional survey and measurement technology will rapidly transform into new survey and measurement services such as smart platforms, survey and measurement big data and “one city map (城市一張圖)”, providing a solid foundation for urban development.

In 2025, the survey and measurement industry will continue to maintain a growth trend. Technological advancements and policy support will bring new development opportunities, while the survey and measurement industry still faces the challenges of intense market competition and technological updates. The survey and measurement industry will become more reliant on intelligent and digital technologies, drone aerial photography, 3D laser scanning and BIM (Building Information Modeling) applications. At the same time, the application of cloud platforms and big data analysis tools provides strong support for the storage, sharing and in-depth mining of survey and mapping data. In the future, engineering surveying and mapping will rely more on integrated solutions, and the introduction of cloud computing and big data technologies will enable design teams to collaborate remotely and share real-time project information.

INVESTMENT AND CONSTRUCTION

The relief of local government debt risks has deepened. In November 2024, the Standing Committee of the National People’s Congress approved an increase of RMB6 trillion in the local government debt limit to replace existing implicit debt, and clarified that RMB800 billion of special bonds would be allocated annually from 2024 to 2028 for debt relief, significantly alleviating local fiscal pressure. Strict control over new implicit debt has become a core discipline, with the Ministry of Finance establishing a comprehensive monitoring mechanism and implementing “zero tolerance” accountability for illegal borrowing. Local government infrastructure investment constraints tend to ease, but project compliance requirements are raised, and the window for social capital to participate in key projects through franchising and equity cooperation expands.

The franchise operation model will be standardized and upgraded. Based on the Measures (Regulations) for the Administration of Concession for Infrastructure and Public Utilities 《基礎設施和公用事業特許經營管理辦法》 (Order No. 17 of 2024), the quality review of user-paid projects will be further strengthened in 2025, promoting the concentration of social capital in areas with stable cash flow and high operational efficiency. Policies encourage integrated projects such as cultural tourism and smart transportation to adopt an “investment + operation” integrated model to reduce reliance on government payments, such as the Chengdu Ziyang Line Cultural Tourism Hub pilot Project.

The “Three Major Projects” continue to advance. New “for-sale affordable housing” construction indicators have been added for affordable housing, primarily covering megacities and super-megacities, with the proportion of engineering, procurement and construction (EPC) models increasing to 60% or more. Urban village renovation and underground pipeline renovation (targeting 100,000 kilometers annually) are being implemented simultaneously, stimulating demand for integrated urban renewal development projects. The development of rail transit in metropolitan areas is accelerating, and the National Development and Reform Commission explicitly designated intercity railways and urban (suburban) railways as core infrastructure for modern metropolitan areas, and special bond funds will be allocated to projects for connecting “dead-end roads” by 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The investment and construction business will closely align with the national guidance on debt relief and high-quality development. Amidst the mitigation of local government debt risks, the Company will focus on the core opportunities presented by the “Three Major Projects” and metropolitan area infrastructure, continuously expand the scale of EPC, and explore incremental markets through innovative investment and financing models. Through optimizing asset structure and strengthening lean management, a dual-track drive of EPC scale and franchised operation innovation will be achieved.

PLANNING AND DESIGN

In 2025, urban renewal, territorial spatial planning, detailed control planning, low-carbon intelligence, and regional coordination have become the core directions for urban planning and development. Funding support is expanded, pilot cities are enlarged, and the participation of social capital is emphasized; “multi-plan integration” is strengthened, land use is optimized, and living quality is improved; Beijing and other places promote block unit planning and strengthen data-driven management; green buildings and CIM platforms become key focuses; urban renewal in megacities and super-megacities progresses move forward alongside county-level urbanization.

As a core driving force for urban development, urban planning’s industry evolution is closely related to national strategies, technological innovation and social needs. Currently, China’s urban planning industry is undergoing a critical transformation from traditional models to intelligent and green approaches, with continuous market expansion and a diversified competitive landscape.

ARCHITECTURAL DESIGN

In March 2025, a press conference on people’s livelihood for the Third Session of the 14th National People’s Congress was held in Beijing. The Ministry of Housing and Urban-Rural Development stated that it would solidly promote urban renewal work and implement a series of renewal projects that benefit people’s livelihood, promote development, and prevent risks. These include livelihood projects (renovation of old urban communities and urban villages), development projects (renewal of old industrial areas and old factories, renovation of old streets, and protection and repair of historical and cultural blocks and historical buildings) and safety projects (infrastructure projects).

In May 2025, the “Opinions on Continuously Promoting Urban Renewal Actions” required adherence to the general principle of making progress while ensuring stability, transforming the mode of urban development and construction, establishing a sustainable urban renewal model and policies and regulations, vigorously implementing urban renewal, promoting urban structural optimization, functional improvement, cultural heritage preservation and quality enhancement, to create livable, resilient and smart cities. Eight main tasks were proposed, including strengthening the renovation and utilization of existing buildings, promoting the improvement and renovation of old urban communities, carrying out complete community construction, advancing the renewal and renovation of old streets, old factory areas, urban villages and other areas, improving urban functions, and strengthening the construction and renovation of urban infrastructure.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

According to data from the National Bureau of Statistics, from January to June 2025, national real estate development investment amounted to RMB4,665.8 billion, representing a year-on-year decrease of 11.2%, of which, residential investment was RMB3,577.0 billion, representing a decrease of 10.4%. From January to June 2025, the construction area of properties by real estate development enterprises was 6,333.21 million square meters, representing a year-on-year decrease of 9.1%, among which, the construction area of residential properties was 4,412.40 million square meters, representing a decrease of 9.4%. The newly commenced area of housing was 303.64 million square meters, representing a year-on-year decrease of 20.0%, of which, the newly commenced area of residential housing was 22.28 million square meters, representing a decrease of 19.6%.

This year, the national GDP growth target is set at around 5%, expanding domestic demand remains the top economic priority, and stabilizing the property market is crucial. The State Council Executive Meeting on 13 June 2025 proposed to “take multi-pronged measures to stabilize expectations, stimulate demand, optimize supply, and mitigate risks, and more vigorously promote the real estate market to stop falling and stabilize”, sending a positive signal. It is expected that in the second half of 2025, governments at all levels will fully promote the implementation of existing policies to achieve tangible results, such as further improving and implementing special bond to acquire existing idle lands and existing commercial housings, and accelerating the implementation of policies such as increasing the intensity of housing voucher resettlement for urban village renovation. In addition, urban renewal related policies, such as supporting financial assistance, are also expected to continue to advance.

ENGINEERING, PROCUREMENT AND CONSTRUCTION

In recent years, China’s urban rail transit investment and newly added mileage have shown a downward trend. The urban rail investment plan for 2025 decreased by 28.59% year-on-year. The domestic rail transit market has entered a stage of high-quality development characterized by “seeking progress while maintaining stability, optimizing existing assets, focusing on key regions, upgrading technology, refining management, and integrating diverse elements”.

The current core market opportunities are mainly concentrated on the improvement of network lines in core urban agglomerations such as Beijing-Tianjin-Hebei, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area and Chengdu-Chongqing, the renovation and upgrading of metropolitan (suburban) railways and existing lines, intelligent and green construction technology solutions, and TOD-related comprehensive underground space development and interface engineering. At the same time, new-generation information technologies such as the IoT, big data, and artificial intelligence are accelerating empowerment, promoting the intelligent and efficient development of rail transit, and driving the transformation and upgrading of the equipment industry towards high-end, intelligent and green development.

In view of the current situation, the EPC will take the Beijing market as its cornerstone and deeply focus on the three national strategic regions: the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, and the Western Triangle (Chengdu-Chongqing). We will fully guarantee and efficiently promote Beijing urban rail projects, and closely track and actively participate in extension sections of existing lines, electromechanical installation, operation renovation and maintenance projects. At the same time, relying on the experience and resources accumulated in core regions, the Company targets key urban agglomerations such as Guangzhou and Xuzhou, actively expanding into their rail transit construction markets, and driving the development of regional markets.

MUNICIPAL PUBLIC ENGINEERING

In July 2025, the Central Urban Work Conference clarified that urban development would shift from incremental expansion to quality improvement of existing stock, strengthening intrinsic development and urban renewal as the main themes, and systematically promoting investment in municipal infrastructure, green environmental protection, smart cities and urban renewal. Urban renewal has become a key direction for municipal engineering in 2025, with the state encouraging systematic renovation of old residential areas, infrastructure and transportation networks to enhance urban livability and functionality.

With the in-depth implementation of the “dual-carbon” goals, the municipal engineering sector is accelerating its transformation towards green construction and sustainable development models, with green building materials, energy-saving technologies, and renewable energy applications becoming important components of municipal construction. The development of smart cities promotes the digitalization and intellectualization of municipal engineering, achieving full life cycle management of municipal facilities through technologies such as the IoT, artificial intelligence and big data.

TECHNOLOGICAL INDUSTRIALIZATION

The 2025 Government Work Report clearly propose the strategic direction of “promoting the deep integration of scientific and technological innovation with industrial innovation, and accelerating the cultivation and growth of emerging industries and future industries”. In March 2025, the Ministry of Transport and nine other departments issued the “Guiding Opinions on Promoting the Integrated Development of Transport and Energy 《關於推動交通運輸與能源融合發展的指導意見》”, which led the direction of deep integration between the traditional infrastructure industry and emerging industries in the transport sector.

In light of global development trends, national policies and the recent development trends in the rail transit industry, to achieve true scientific and technological industrialization, the traditional infrastructure industry must firmly seize the significant historical opportunities presented by the new round of global technological revolution and industrial transformation, focus on emerging fields such as the low-altitude economy, green energy, cultural tourism industry, digitalization, intelligence and informatization, deepen cross-industry, cross-department and cross-regional collaborative innovation, tackle key core technologies, promote industrial application demonstrations, and strive to build a modern transportation industry ecosystem with international competitiveness, injecting new impetus into the scientific and technological industrialization of the traditional transportation industry.

OTHER INFORMATION

THE INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SHARES

The interests and short positions of Directors, Supervisors and chief executive in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at 30 June 2025, the interests and short positions of the following Directors, Supervisors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as notified to the Company and the Hong Kong Stock Exchange under Divisions 7 and 8 of Part XV of the SFO or as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the requirements in the Model Code, were as follows:

Name	Position	Capacity	Class of Shares	Number of Shares (Shares)	Nature of interests	Approximate percentage of total issued H Share capital (%)	Approximate percentage of total issued Share capital (%)
Li Guoqing	Vice chairman and non-executive Director	Personal interest	H Shares	48,000	Long position	0.01	0.004

Note:

Mr. Li Guoqing subscribed for 1,000,000 Domestic Shares under a key employee stock ownership scheme and Mr. Xia Xiujiang subscribed for 620,000 Domestic Shares under the employee stock ownership scheme on 29 December 2017. Mr. Xia Xiujiang increased his subscription to 1,000,000 Domestic Shares under the employee stock ownership scheme on 27 January 2025.

Save as disclosed above, as at 30 June 2025, none of the other Directors and Supervisors had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as notified to the Company and the Hong Kong Stock Exchange under Divisions 7 and 8 of Part XV of the SFO or as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the requirements of the Model Code.

During the Reporting Period, none of the Directors, Supervisors and chief executive of the Company (including their spouses or children under the age of 18) were authorised by the Company to subscribe for any Shares or debentures of the Company or any associated corporations.

CHANGES OF THE BOARD AND THE BOARD OF SUPERVISORS

CHANGES OF DIRECTORS

At the 2024 Annual General Meeting held on 16 June 2025, the Company approved by ordinary resolutions that Mr. Xia Xiujiang was appointed as an executive Director; Mr. Pei Hongwei, Mr. Li Guoqing, Ms. Shi Huaxin, Mr. Peng Dongdong, Mr. Li Fei, Mr. Wang Tao and Ms. Tang Qimeng were appointed as non-executive Directors; and Mr. Wang Guofeng, Mr. Xia Peng, Mr. Frank Chan Fan and Mr. Zha Xiaodong were appointed as independent non-executive Directors. All of them were appointed as Directors of the fourth session of the Board. The term of office is three years commencing from 16 June 2025. Due to the Board arrangements, Mr. Qin Guisheng and Mr. Ma Xufei, Directors of the third session of the Board retired as Director on the same day. For details, please refer to the announcement of the Company dated 16 June 2025.

CHANGES OF SUPERVISORS

At the 2024 Annual General Meeting held on 16 June 2025, the Company approved by ordinary resolutions that Mr. Hu Shengjie, Ms. Zhong Hua, Mr. Fang Binjia and Mr. Fu Yanbing were appointed as Supervisors of the fourth session of the Board of Supervisors, who will serve together with employee representative Supervisors, i.e., Mr. Liu Hao, Ms. Liu Xiaobo and Mr. Li Zhiyu to form the fourth session of the Board of Supervisors. The term of office is three years commencing from 16 June 2025. Due to the rotation of the Board of Supervisors, Ms. Nie Kun, Mr. Li Yan, Ms. Yang Huiju and Mr. Ban Jianbo retired as Supervisor on the same day. For details, please refer to the announcement of the Company dated 16 June 2025.

APPOINTMENT OF THE CHAIRMAN AND VICE CHAIRMAN OF THE BOARD

Mr. Pei Hongwei was elected as the chairman of the fourth session of the Board and Mr. Li Guoqing was elected as the vice chairman of the fourth session of the Board by the Board at the meeting of the Board held on 16 June 2025, with immediate effect.

APPOINTMENT OF MEMBERS OF BOARD COMMITTEES

Nomination Committee

Chairman: Mr. Pei Hongwei

Members: Mr. Wang Guofeng and Mr. Zha Xiaodong

Audit Committee

Chairman: Mr. Xia Peng

Members: Mr. Wang Guofeng, Mr. Zha Xiaodong and Mr. Li Fei

Remuneration Committee

Chairman: Mr. Wang Guofeng

Members: Mr. Frank Chan Fan and Mr. Xia Xiujiang

Overseas Risk Control Committee

Chairman: Mr. Pei Hongwei

Members: Mr. Li Guoqing, Mr. Xia Xiujiang and Mr. Frank Chan Fan

OTHER INFORMATION (CONTINUED)

APPOINTMENT OF THE CHAIRMAN OF THE BOARD OF SUPERVISORS

Mr. Hu Shengjie was elected as the chairman of the fourth session of the Board of Supervisors by the Board of Supervisors at the meeting of the Board of Supervisors held on 16 June 2025, with immediate effect.

As at the date of this report, the members of the Board are:

Mr. Pei Hongwei (*Chairman, Non-executive Director*)
Mr. Li Guoqing (*Vice Chairman, Non-executive Director*)
Mr. Xia Xiujiang (*Executive Director*)
Ms. Shi Huaxin (*Non-executive Director*)
Mr. Peng Dongdong (*Non-executive Director*)
Mr. Li Fei (*Non-executive Director*)
Mr. Wang Tao (*Non-executive Director*)
Ms. Tang Qimeng (*Non-executive Director*)
Mr. Wang Guofeng (*Independent Non-executive Director*)
Mr. Xia Peng (*Independent Non-executive Director*)
Mr. Frank Chan Fan (*Independent Non-executive Director*)
Mr. Zha Xiaodong (*Independent Non-executive Director*)

As at the date of this report, the members of the Board of Supervisors are:

Mr. Hu Shengjie (*Chairman of the Board of Supervisors*)
Ms. Zhong Hua (*Supervisor*)
Mr. Fang Binjia (*Supervisor*)
Mr. Fu Yanbing (*Supervisor*)
Mr. Liu Hao (*Employee Representative Supervisor*)
Ms. Liu Xiaobo (*Employee Representative Supervisor*)
Mr. Li Zhiyu (*Employee Representative Supervisor*)

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as its code for securities transactions by its Directors and Supervisors. Having made specific enquiries with all of the Directors and Supervisors, all of them have confirmed that they had complied with the abovementioned code during the Reporting Period.

DISCLOSABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

Substantial shareholders' interests and short positions in the Shares and underlying shares of the Company

As at 30 June 2025, so far as was known to the Directors, the interests or short positions of the following persons (other than the Directors, Supervisors or the chief executive of the Company) in the Shares and underlying Shares of the Company as notified to the Company and the Hong Kong Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or as otherwise recorded in the register required to be kept under section 336 of the SFO were as follows:

Domestic Shares

Name of shareholder	Capacity	Number of Domestic Shares (Shares)	Nature of Interests	Approximate percentage of total issued Domestic Share capital (%)	Approximate percentage of total issued Share capital (%)
BUCG ¹	Beneficial owner	571,031,118	Long position	59.44	42.34
Beijing Investment Company ²	Beneficial owner	87,850,942	Long position	9.14	6.51
Beijing Chengtong Enterprise Management Center (General Partnership)	Beneficial owner	76,000,000 ³	Long position	7.91	5.64

Notes:

1. BUCG was incorporated by the Beijing Municipal Government.
2. Beijing Investment Company is a wholly state-owned enterprise funded and established by the State-owned Assets Supervision and Administration Commission of the Beijing Municipal People's Government. On 4 August 2020, Beijing Investment Company and Beijing MTR Construction Administration Corporation (北京市軌道交通建設管理有限公司) ("MTR Construction") implemented a merger and restructuring. After the merger and restructuring, Beijing Investment Company held, directly and indirectly, 199,998,412 Shares of the Company in aggregate, including 131,776,412 Domestic Shares and 68,222,000 H Shares of the Company, representing approximately 14.83% of the issued Shares of the Company. Please refer to the announcement of the Company dated 10 August 2020 for details.
3. Among which, 18,270,000 Domestic Shares were issued for connected subscriptions. For details, please refer to the circular published by the Company on 7 December 2017 and the announcement published by the Company on 5 February 2018.

OTHER INFORMATION (CONTINUED)

H Shares

Name of Shareholder	Capacity	Number of H Shares (Shares)	Nature of interests	Approximate percentage of total issued H Share capital (%)	Approximate percentage of total issued Share capital (%)
Amundi Asset Management	Investment Manager	83,171,000	Long position	21.44	6.17
Amundi Ireland Ltd	Investment Manager	81,494,000	Long position	21.01	6.04
Beijing Investment Company ¹	Interest of controlled corporations	68,222,000	Long position	17.59	5.06
Beijing Infrastructure Investment (Hong Kong) Limited ¹	Beneficial owner	68,222,000	Long position	17.59	5.06
CRRC Group	Interest of controlled corporations ²	23,722,000	Long position	6.11	1.76

Notes:

1. Beijing Investment Company indirectly held interests in 68,222,000 H Shares of long position of the Company through its wholly-owned subsidiary, Beijing Infrastructure Investment (Hong Kong) Limited (京投(香港)有限公司).
2. CRRC Group (formerly known as CSR Group Limited) held interests in 23,722,000 H Shares through its controlled corporations, CRRC Corporation Limited (formerly known as CSR Corporation Limited) and CRRC (Hong Kong) Co., Ltd. (formerly known as CSR (Hong Kong) Co., Ltd.).

Save as disclosed above, as at 30 June 2025, the Directors are not aware of any other persons (other than the Directors, Supervisors or the chief executive of the Company) who had interests or short positions in the Shares and underlying Shares of the Company as otherwise notified to the Company and the Hong Kong Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept under Section 336 of the SFO.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company and any of its subsidiaries did not purchase, sell or redeem any securities of the Company (including sale of any treasury Shares (as defined in the Hong Kong Listing Rules)).

As of 30 June 2025, the Company did not hold any treasury Shares.

CORPORATE GOVERNANCE

Strictly complying with the Company Law of the People's Republic of China, the Corporate Governance Code and other laws and regulations, as well as the regulatory requirements of domestic and foreign regulatory authorities, the Company standardized its operation, established and optimized its corporate governance system comprised of general meeting, Board of Directors, Board of Supervisors and senior management, so as to form an operating mechanism of mutual cooperation, coordination and mutual checks and balance among power, decision-making, supervisory and executive organizations. The Company believed that sound corporate governance can facilitate the protection and enhancement of the rights and interests of shareholders and other stakeholders, and maintain a favorable corporate reputation. Currently, the corporate governance documents of the Company mainly include: the Articles of Association, the Rules of Procedure for the General Meeting of Beijing Urban Construction Design & Development Group Co., Limited, the Rules of Procedure for the Board of Directors of Beijing Urban Construction Design & Development Group Co., Limited, the Rules of Procedure for the Board of Supervisors of Beijing Urban Construction Design & Development Group Co., Limited, the Terms of Reference of the Audit Committee under the Board of Directors of Beijing Urban Construction Design & Development Group Co., Limited, the Terms of Reference of the Nomination Committee under the Board of Directors of Beijing Urban Construction Design & Development Group Co., Limited, the Terms of Reference of the Remuneration Committee under the Board of Directors of Beijing Urban Construction Design & Development Group Co., Limited, the Terms of Reference of the Overseas Risk Control Committee under the Board of Directors of Beijing Urban Construction Design & Development Group Co., Limited, the Administrative Measures on Information Disclosure of Beijing Urban Construction Design & Development Group Co., Limited, the Administrative Measures on Connected Transactions of Beijing Urban Construction Design & Development Group Co., Limited. The Board has adopted the Model Code as its rules for securities transactions by the Directors and Supervisors. So far as the Board is aware, during the Reporting Period, the Company had complied with various applicable regulatory laws, rules and regulations, the Articles of Association and the requirements of the code provisions under the Corporate Governance Code and published the documents and information required to be disclosed on the websites of the Company and the Hong Kong Stock Exchange.

MATERIAL LITIGATION AND ARBITRATION

During the Reporting Period, the Group was not engaged in any litigation or arbitration that would have a material effect on its operating activities.

THE ARTICLES OF ASSOCIATION

The latest version of the Articles of Association is set out on the websites of the Company and the Hong Kong Stock Exchange.

During the Reporting Period, in order to further improve the corporate governance structure and according to the Company Law and other relevant regulations, the Company made corresponding amendments to the Articles of Association after the approval of the Board and the general meeting of the Company. For details of the amendments, please refer to the announcements of the Company dated 15 May 2025 and the circular of the Company dated 26 May 2025.

OTHER INFORMATION (CONTINUED)

PREPARATION OF FINANCIAL ACCOUNTING REPORTS IN ACCORDANCE WITH CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

Pursuant to the Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong 《有關接受在香港上市的內地註冊成立公司採用內地的會計及審計準則以及聘用內地會計師事務所諮詢總結》 published by the Hong Kong Stock Exchange in December 2010, with effect from 15 December 2010, issuers incorporated in the mainland and listed on the Hong Kong Stock Exchange are allowed to prepare their financial statements using mainland accounting standards, and mainland audit firms endorsed by the Ministry of Finance of the PRC and the China Securities Regulatory Commission are allowed to provide audit services to issuers listed on the Stock Exchange using mainland auditing standards.

Based on the requirements of the above policy and considering that the Company mainly conducts its business in the mainland, in order to improve the working efficiency, the Board resolved on 15 May 2025 to approve the preparation of financial accounting reports by the Company in accordance with China Accounting Standards for Business Enterprises. The Board is of the view that the preparation of financial statements in accordance with China Accounting Standards for Business Enterprises is in the best interest of the Company and will not have any material impacts on the financial position, operating results and cash flow of the Company for 2025 and in the future.

REVIEW OF INTERIM REPORT

Da Hua Certified Public Accountants (Special General Partnership), the auditor of the Company, has reviewed the interim financial statements of the Group for the six months ended 30 June 2025.

The Audit Committee of the Company has reviewed the interim result of the Group for the six months ended 30 June 2025 and the unaudited interim financial statements of the Group for the six months ended 30 June 2025.

PUBLIC FLOAT

Reference is made to the announcements of the Company dated 2 March 2018, 29 March 2018, 30 September 2022, 27 June 2024 and 22 July 2024 in relation to, among others, the insufficiency of public float of the Company and the proposal to restore the public float. As disclosed in the announcement of the Company dated 11 July 2017, Beijing Infrastructure Investment (Hong Kong) Limited ("**Beijing Investment HK**"), a wholly-owned subsidiary of Beijing Investment Company, a Shareholder of the Company, completed the acquisition of 68,222,000 H Shares of the Company indirectly held by Beijing Capital Group Ltd. ("**Beijing Capital**") through its controlled corporations (the "**Share Transfer**"). Before completion of the Share Transfer, Beijing Investment Company holds 87,850,942 Domestic Shares of the Company, accounting for 6.90% of the total issued Shares of the Company. Beijing Capital holds 73,493,000 H Shares of the Company, accounting for 5.77% of the total issued Shares of the Company. Each of Beijing Investment Company and Beijing Capital does not constitute the substantial Shareholder of the Company and the Shares of the Company held by them are deemed as public float. Upon completion of the Share Transfer, Beijing Investment increased its shareholding by acquiring 68,222,000 H Shares of the Company, and the total Domestic Shares and H Shares held by it account for 12.26% of the total issued Shares of the Company, and Beijing Investment Company therefore became one of the substantial Shareholders of the Company and constituted a connected person under Chapter 14A of the Hong Kong Listing Rules. As such, 68,222,000 H Shares held by Beijing Investment Company would no longer be deemed as transferable Shares held by the public.

As of the date of this report, the public float of the Company was approximately 23.70%, which failed to meet the requirements on minimum public float under Rule 8.08(1)(a) of the Hong Kong Listing Rules. For further details on the insufficiency of public float, please refer to the announcement of the Company dated 2 March 2018. The Company is fully aware of the existence of the problem of insufficient public float at present. The Company is proactively taking practicable measures, including but not limited to the resumption of the A Share issuance plan at the appropriate time; negotiating with substantial Shareholders of the Company to sell the shares of the Company held by them, thereby returning the Shares held by them to public float; and/or the issuance of H Shares to independent third parties of the Company under a general mandate, to recover the public float level. However, the above methods could not be achieved for the time being due to factors such as the current audit policies of the capital market and the share price of the Company. The Company continues to pay attention to the problem of insufficient public float, including, but not limited to, plans to continuously communicate on the transfer of the Shares by substantial Shareholders and other practicable matters to restore the public float, and notify the Shareholders and potential investors in a timely manner when relevant plans that are realisable are achieved.

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS



大華會計師事務所

大華會計師事務所 (特殊普通合夥)

北京市海澱區西四環中路16號院7號樓12層[100039]

電話：86 (10) 5835 0011 傳真：86 (10) 5835 0006

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Da Hua He Zi [2025] No. 0011008731

To the Shareholders of Beijing Urban Construction Design & Development Group Co., Limited:

We have reviewed the accompanying financial statements of Beijing Urban Construction Design & Development Group Co., Limited (hereinafter referred to as "UCD"), which comprise the consolidated balance sheet as at 30 June 2025, the consolidated statement of income, the consolidated statement of cash flows, the consolidated statement of changes in owners' equity for the period from January to June 2025, and the notes to the financial statements. The preparation of these financial statements is the responsibility of the management of UCD, and our responsibility is to issue a review report on these financial statements based on the review work performed.

We conducted our review in accordance with Chinese Standard on Review Engagements No. 2101 — Review of Financial Statements 《中國註冊會計師審閱準則第 2101 號 — 財務報表審閱》. This standard requires us to plan and perform review engagements to obtain limited assurance as to whether the financial statements are free from material misstatement. This review is primarily limited to making enquiries of company personnel and applying analytical procedures to financial data, providing a lower level of assurance than an audit. We did not perform an audit, and accordingly, we do not express an audit opinion.

Based on our review, we have not noted any matters that lead us to believe that the financial statements were not prepared in accordance with the Accounting Standards for Business Enterprises, or that they fail to present fairly, in all material respects, the financial position, operating results and cash flows of UCD.

**Da Hua Certified Public Accountants
(Special General Partnership)**

Beijing, China

PRC Certified Public Accountant: _____

WANG Li Fei

PRC Certified Public Accountant: _____

FAN Dong Fa

28 August 2025

CONSOLIDATED BALANCE SHEET

30 June 2025

Amount unit: RMB

Item	Note VII	Closing balance	Opening balance
Current assets:		-	-
Monetary capital	Note 1	1,933,635,958.25	3,156,509,037.14
△Settlement reserves			
△Due from banks and other financial institutions			
Financial assets held for trading			
☆Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable		32,291,825.06	37,077,123.88
Trade receivables	Note 2	4,252,267,487.11	4,012,733,311.84
Receivables financing			
Prepayments	Note 3	73,872,246.72	54,866,709.62
△Premium receivables			
△Reinsurance premium receivables			
△Reinsurance contract reserves receivable			
Centralized management of receivables			
Other receivables	Note 4	213,739,872.44	218,173,521.70
Including: Dividend receivable	Note 4	89,583,274.83	89,583,274.83
△Financial assets purchased under agreements to resell			
Inventories	Note 5	102,004,708.09	94,924,327.96
Including: raw materials	Note 5	23,937,916.27	35,622,623.18
Commodities (finished goods)	Note 5	42,513,983.02	23,841,904.15
Contract assets	Note 6	5,764,005,751.45	5,516,151,792.12
Held-for-sale assets			
Non-current assets due within one year		11,079,019.00	14,861,336.39
Other current assets	Note 7	166,630,882.86	125,699,589.67
Total current assets		12,549,527,750.98	13,230,996,750.32

CONSOLIDATED BALANCE SHEET (CONTINUED)

30 June 2025

Item	Note VII	Closing balance	Opening balance
Non-current assets:			
△ Grant of loans and advances			
Debt investment			
☆ Available-for-sale financial assets			
Other debt investment			
☆ held-to-maturity investment			
Long-term receivables		6,085,127.87	8,623,992.11
Long-term equity investment		3,493,645,305.90	3,449,404,050.96
Investment in other equity instruments	Note 8	244,943,764.13	227,795,796.03
Other non-current financial assets	Note 9	6,534,000.00	5,178,000.00
Investment properties			
Fixed assets		1,247,801,332.97	1,264,222,355.74
Including: Cost of fixed assets		2,103,383,810.72	2,056,125,565.08
Accumulated depreciation		855,582,477.75	791,903,209.34
Provision for fixed asset impairment			
Construction in progress		1,185,451.33	29,387,773.83
Productive biological assets			
Oil and gas assets			
Right-of-use assets		261,488,795.28	262,612,660.87
Intangible assets		819,015,766.02	843,021,409.05
Development expenditure			
Goodwill		5,740,795.57	5,740,795.57
Long-term expenses to be amortised		163,532,445.94	174,203,954.25
Deferred income tax assets		396,845,006.53	392,976,999.20
Other non-current assets	Note 11	4,450,452,933.04	4,647,760,715.86
Including: Specially approved reserved supplies			
Total non-current assets		11,097,270,724.58	11,310,928,503.47
Total assets		23,646,798,475.56	24,541,925,253.79

CONSOLIDATED BALANCE SHEET (CONTINUED)

30 June 2025

Item	Note VII	Closing balance	Opening balance
Current liabilities:		–	–
Short-term borrowings	Note 12	918,003,461.02	800,057,476.75
△ Borrowings from central bank			
△ Placements from banks and other financial institutions			
Financial liabilities held for trading			
☆ Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable		5,181,051.40	47,098,710.91
Trade payables	Note 13	5,096,662,049.56	5,539,926,648.80
Receipts in advance			
Contract liabilities	Note 14	2,165,872,783.41	2,731,408,144.20
△ Financial assets sold under agreements to repurchase			
△ Customer deposits and interbank deposits			
△ Amounts paid for agency securities trading			
△ Amounts paid for agency securities underwriting			
Employee remuneration payables		354,708,832.24	391,661,072.80
Including: Wages payables		309,905,252.05	355,346,384.34
Benefits payables			
#Including: Staff award and welfare fund			
Tax charges payables		124,682,111.27	201,600,131.05
Including: tax payable		107,044,864.28	190,707,044.54
Other payables		424,134,055.57	298,087,430.90
Including: Dividend payable		159,455,178.95	13,908,422.72
△ Fees and commissions payable			
△ Reinsurance premium payable			
Held-for-sale liabilities			
Non-current liabilities due within one year	Note 15	325,911,564.29	313,980,477.73
Other current liabilities	Note 16	710,210,965.25	737,187,265.49
Total current liabilities		10,125,366,874.01	11,061,007,358.63

CONSOLIDATED BALANCE SHEET (CONTINUED)

30 June 2025

Item	Note VII	Closing balance	Opening balance
Non-current liabilities:		—	—
△ Reserve fund for insurance contracts			
Long-term borrowings	Note 17	4,251,245,909.09	4,334,024,094.09
Bonds payables	Note 18	500,000,000.00	500,000,000.00
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		174,694,511.42	185,790,481.21
Long-term payables		6,648,568.03	4,154,413.82
Long-term employee remuneration payable		85,244,191.88	78,603,667.07
Estimated liabilities		93,044,126.06	88,028,811.94
Deferred income		6,623,757.01	7,351,648.91
Deferred income tax liabilities		9,306,660.43	7,400,851.98
Other non-current liabilities		357,056,506.43	342,159,383.49
Including: Specially approved reserved fund			
Total non-current liabilities		5,483,864,230.35	5,547,513,352.51
Total liabilities		15,609,231,104.36	16,608,520,711.14

CONSOLIDATED BALANCE SHEET (CONTINUED)

30 June 2025

Item	Note VII	Closing balance	Opening balance
Equity attributable to the owners (or shareholders' equity):		—	—
Paid-in capital (or share capital)	Note 19	1,348,670,000.00	1,348,670,000.00
State-owned capital			
Capital attributable to state-owned legal entities		746,733,000.00	746,733,000.00
Collective capital			
Private capital		601,937,000.00	601,937,000.00
Capital attributable to foreign investors			
# Less: reverted investment			
Paid-in capital (or share capital), net	Note 19	1,348,670,000.00	1,348,670,000.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve		646,206,309.10	646,206,309.10
Less: treasury shares			
Other comprehensive income		27,003,735.50	16,528,853.11
Including: Exchange difference on translation of financial statements in foreign currencies		-158,717.94	-239,961.78
Special reserve		9,606,831.85	5,389,706.71
Surplus reserve		667,141,761.43	667,141,761.43
Including: Statutory reserve		667,141,761.43	667,141,761.43
Discretionary reserve			
#Reserve funds			
#Corporate development reserve			
#Transfer of profit to investment			
△ General risk reserve			
Retained earnings		5,098,887,359.11	5,011,885,481.00
Total equity attributable to owners of the parent company (or shareholders' equity)		7,797,515,996.99	7,695,822,111.35
*Minority interests		240,051,374.21	237,582,431.30
Total equity attributable to the owners (or shareholders' equity)		8,037,567,371.20	7,933,404,542.65
Total liabilities and total equity attributable to the owners (or shareholders' equity)		23,646,798,475.56	24,541,925,253.79

(The accompanying notes to the financial statements form an integral part of the consolidated financial statements)

Note: Items marked with * apply exclusively to consolidated accounting statements; items marked with △ apply exclusively to financial enterprises; items marked with # apply exclusively to foreign-invested enterprises; items marked with ☆ applies to enterprises without implementing new standards financial instruments. The same applies below.

Legal representative
of the Company:
PEI Hong Wei

Person-in-charge
of accounting:
YANG Yong Jie

The head of the
accounting department:
JIANG Hai Rong

CONSOLIDATED STATEMENT OF INCOME

January to June 2025

Amount unit: RMB

Item	Note VII	Amount for the current period	Amount for the previous period
I. Total operating income		3,586,318,950.13	4,178,988,200.72
Including: Operating income	Note 20	3,586,318,950.13	4,178,988,200.72
△Interest income			
△Premiums earned			
△Fee and commission income			
II. Total operating costs		3,247,912,094.44	3,724,628,339.32
Including: Operating costs	Note 20	2,893,377,461.12	3,363,629,737.41
△Interest expenses			
△fee and commission expenses			
△Surrender value			
△Compensation payment, net			
△Provision of insurance liability, net			
△Dividend on insurance policies paid			
△Reinsurance expenditures			
Tax and surcharges		17,976,366.26	7,953,430.22
Selling expenses	Note 21	26,748,955.83	28,684,396.11
Administrative expenses	Note 22	223,213,616.12	227,801,705.50
Research and development expenses	Note 23	141,896,162.94	147,640,596.66
Finance costs	Note 24	-55,300,467.83	-51,081,526.58
Including: Interest expenses	Note 24	119,793,954.23	141,444,083.62
Interest income	Note 24	180,977,713.87	197,657,604.64
Net exchange loss (net gain is represented by "-")	Note 24	888,228.86	2,267,542.27
Others			
Add: Other income		3,683,074.09	1,527,927.75
Investment income (loss is represented by "-")		44,267,254.93	71,349,789.26
Including: Investments income from associates and joint ventures		44,267,254.93	71,349,789.26
Gain on derecognition of financial assets measured at amortised cost			
△Exchange gain (loss is represented by "-")			
Net gain from exposure hedges (loss is represented by "-")			
Gain from change in fair value (loss is represented by "-")		1,356,000.00	-3,708,000.00
Credit impairment loss (loss is represented by "-")	Note 25	-18,321,540.30	-48,445,420.89
Asset impairment loss (loss is represented by "-")	Note 26	-75,834,131.22	-52,456,351.70
Gain on disposal of assets (loss is represented by "-")		623,462.47	466,251.77

CONSOLIDATED STATEMENT OF INCOME (CONTINUED)

January to June 2025

Item	Note VII	Amount for the current period	Amount for the previous period
III. Operating profit (loss is represented by "-")		294,180,975.66	423,094,057.59
Add: Non-operating income		1,166,632.01	8,687,247.52
Including: Government grants			
Less: Non-operating expenses		3,516,914.87	668,903.94
IV. Total profit (total loss is represented by "-")		291,830,692.80	431,112,401.17
Less: Income tax expenses	Note 27	52,442,034.56	60,327,024.44
V. Net profit (net loss is represented by "-")		239,388,658.24	370,785,376.73
(I) Classified by ownership of equity			
Net profit attributable to owners of the parent company		232,253,637.11	359,774,333.20
* Minority interests		7,135,021.13	11,011,043.53
(II) Classified by continuity of operations			
Net profit from continuing operations		239,388,658.24	370,785,376.73
Net profit from discontinued operations			
VI. Other comprehensive income after taxation, net		10,474,882.39	-17,869,093.99
Other comprehensive income after taxation attributable to owners of the parent company, net		10,474,882.39	-17,869,093.99
(I) Other comprehensive income which will not be reclassified to profit or loss		10,393,638.55	-17,820,127.07
1. re-measurement of changes in defined benefit plan		-3,250,000.00	-4,060,000.00
2. Other comprehensive income will not be transferred to profit or loss under equity method			
3. Change in fair value of other investments inequity instruments		13,643,638.55	-13,760,127.07
4. Change in fair value of enterprise's own credit risk			
5. Others			
(II) Other comprehensive income which will be reclassified to profit or loss		81,243.84	-48,966.92
1. Other comprehensive income will be transferred to profit or loss under equity method			
2. Change in fair value of other debt investments			
☆3. Gain/loss from change in fair value of available-for-sale financial assets			
4. Amount of financial assets reclassified as other comprehensive income			

CONSOLIDATED STATEMENT OF INCOME (CONTINUED)

January to June 2025

Item	Note VII	Amount for the current period	Amount for the previous period
☆5. Gain/loss on reclassification of held-to-maturity investment as available-for-sale financial assets			
6. Provision for credit impairment of other debt investments			
7. Cash flows hedging reserve (effective portion of gain/loss from cash flow hedging)			
8. Exchange difference on translation of financial statements in foreign currencies		81,243.84	-48,966.92
9. Others			
* Other comprehensive income after taxation attributable to minority interests, net			
VII. Total comprehensive income		249,863,540.63	352,916,282.74
Total comprehensive income attributable to owners of the parent company		242,728,519.50	341,905,239.21
* Total comprehensive income attributable to minority interests		7,135,021.13	11,011,043.53
VIII. Earnings per shares			
Earnings per share, basic		0.18	0.27
Earnings per share, diluted		0.18	0.27

Legal representative
of the Company:
PEI Hong Wei

Person-in-charge
of accounting:
YANG Yong Jie

The head of the
accounting department:
JIANG Hai Rong

CONSOLIDATED STATEMENT OF CASH FLOWS

January to June 2025

Amount unit: RMB

Item	Note VII	Amount for the current period	Amount for the previous period
I. Cash flows from operating activities:			
Cash received from the sale of goods and rendering of services		2,947,519,977.71	4,084,797,906.01
△Net increase in customer deposits and interbank deposits			
△Net increase in borrowings from central bank			
△Net increase in placements from other financial institutions			
△Cash received from premiums under original insurance contracts			
△Net cash received for reinsurance business			
△Net increase in deposits for policyholder			
△Net increase in financial assets at fair value through profit of loss			
△Cash received as interest, fee and commission			
△Net increase in placement from banks and other financial institutions			
△Net cash in received from agency securities trading			
△Net increase in funds for repurchase business			
Tax refunds			
Other cash receipts related to operating activities		211,908,264.93	259,808,312.61
Sub-total of cash inflows from operating activities		3,159,428,242.64	4,344,606,218.62
Cash paid for the purchase of goods and the receipt of services		2,869,092,783.66	3,669,647,443.27
△Net increase in loans and advances to customers			
△Net increase in deposits with central bank and interbank			
△Cash paid for compensation payments under original insurance contracts			
△Net increase in due from banks and other financial institutions			
△Cash paid for interest, fee and commission			
△Cash paid for dividend on insurance policies			
Cash paid to and for employees		885,915,649.75	907,128,820.12
Taxation paid		184,370,592.60	238,239,949.78
Other cash payments related to operating activities		259,851,378.83	250,666,415.64
Sub-total of cash outflows from operating activities		4,199,230,404.84	5,065,682,628.81
Net cash flows from operating activities		-1,039,802,162.20	-721,076,410.19

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

January to June 2025

Item	Note VII	Amount for the current period	Amount for the previous period
II. Cash flows from investing activities:			
Cash received from investment recovery			
Cash received as investment income		26,000.00	530,000.00
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		31,848.26	268,466.71
Net cash received from disposals of subsidiaries and other business units			139,214,400.00
Other cash receipts related to investing activities			
Sub-total of cash inflows from investing activities		57,848.26	140,012,866.71
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		24,473,907.48	94,267,490.12
Cash paid for investments			133,360,000.00
△Net increase in pledged loans			
Net cash paid for acquisition of subsidiaries and other business units			
Other cash payments related to investing activities			
Sub-total of cash outflows from investing activities		24,473,907.48	227,627,490.12
Net cash flows from investing activities		-24,416,059.22	-87,614,623.41

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

January to June 2025

Item	Note VII	Amount for the current period	Amount for the previous period
III. Cash flows from financing activities:			
Cash received as investment			
Including: Cash received by subsidiaries from investment of minority shareholders			
Cash received from borrowings		659,534,720.35	565,605,194.72
Other cash receipts related to financing activities			
Sub-total of cash inflows from financing activities		659,534,720.35	565,605,194.72
Cash paid for debts settlement		630,461,472.19	655,948,715.08
Cash paid for distribution of dividends, profits, or interest expenses		105,036,951.10	116,440,129.90
Including: Dividend and profit paid by subsidiaries to minority shareholders		4,371,080.99	2,520,926.62
Other cash payments related to financing activities		47,617,522.75	57,143,896.70
Sub-total of cash outflows from financing activities		783,115,946.04	829,532,741.68
Net cash flows from financing activities		-123,581,225.69	-263,927,546.96
IV. Effect of exchange rate changes on cash and cash equivalents		-1,287,224.54	-2,316,542.27
V. Net increase in cash and cash equivalents		-1,189,086,671.65	-1,074,935,122.83
Add: Cash and cash equivalents at beginning of period		3,043,846,261.92	3,309,696,070.74
VI. Cash and cash equivalents at the end of period		1,854,759,590.27	2,234,760,947.91

Legal representative
of the Company:
PEI Hong Wei

Person-in-charge
of accounting:
YANG Yong Jie

The head of the
accounting department:
JIANG Hai Rong

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

January to June 2025

Amount unit: RMB

Item	Note VII	Amount for the current period													
		Equity attributable to owners of the parent company													Total equity attributable to the owners
		Paid-in capital (or share capital)	Preferred shares	Other equity instruments	Perpetual bonds	Others	Capital reserve	Treasury shares	Less: comprehensive income	Other	special reserve	Surplus reserve	General risk reserve	Retained profit	
Column No.		1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Closing balance of previous year		1,348,670,000.00				646,206,309.10		16,528,853.11	5,389,706.71	667,141,761.43		5,011,885,481.00	7,695,822,111.35	237,582,431.30	7,933,404,542.65
Add: Changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retrospective adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others															
II. Opening balance of current year		1,348,670,000.00				646,206,309.10		16,528,853.11	5,389,706.71	667,141,761.43		5,011,885,481.00	7,695,822,111.35	237,582,431.30	7,933,404,542.65
III. Changes for the year (decrease is represented by "-")															
(I) Total comprehensive income								10,474,882.39	4,217,125.14			87,001,878.11	101,693,885.64	2,468,942.91	104,162,828.55
(II) Capital contributed/reduced by equity owner								10,474,882.39				232,253,637.11	242,728,519.50	7,135,021.13	249,863,540.63
1. Ordinary share contribution by equity owners															
2. Capital contribution by holders of other equity instruments															
3. Share-based payment included in owners' equity															
4. Others															
(III) Appropriation and use of special reserve															
1. Appropriation of special reserve									4,217,125.14				4,217,125.14		4,217,125.14
2. Use of special reserve									65,486,216.80				65,486,216.80		65,486,216.80
									-61,269,091.66				-61,269,091.66		-61,269,091.66

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (CONTINUED)

January to June 2025

Item	Note III	Amount for the current period													
		Paid-in capital (or share capital)	Other equity instruments		Equity attributable to owners of the parent company					Surplus reserve	General risk reserve	Retained profit	Sub-total	Minority interests	Total equity attributable to the owners
			Preferred shares	Perpetual bonds	Others	Capital reserve	Treasury shares	Other comprehensive income	special reserve						
Column No.		1	2	3	4	5	6	7	8	9	10	11	12	13	14
(IV) Profit distribution															
1. Appropriation of surplus reserve															
Including: Statutory reserve															
Discretionary reserve															
#Reserve funds															
#Corporate development reserve															
#Transfer of profit to investment															
2. Appropriation of general risk reserve															
3. Distribution to equity owners (or shareholders)															
4. Others															
(V) Internal movement of owners' equity															
1. Capital (or share capital) increased by conversion of capital reserve															
2. Capital (or share capital) increased by conversion of surplus reserve															
3. Loss set-off by surplus reserve															
4. Transfer of change in defined benefit plan to retained earnings															
5. Transfer of other comprehensive income to retained earnings															
6. Others															
IV. Closing balance of current year		1,348,670,000.00				646,206,309.10		27,003,735.50	9,606,831.85	667,141,761.43	5,098,887,359.11	7,797,515,996.99	240,051,374.21	8,037,567,371.20	

Legal representative of the Company:
PEI Hong Wei

Person-in-charge of accounting:
YANG Yong Jie

The head of the accounting department:
JIANG Hai Rong

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (CONTINUED)

January to June 2025

Item	Column No.	Amount for the previous period															
		Equity attributable to owners of the parent company															
		Paid-in capital (or share capital)	Preferred shares	Other equity instruments Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	special reserve	Surplus reserve	△General risk reserve	Retained profit	Sub-total	Minority interests	Total equity attributable to the owners		
Note VII	1	2	3	4	5	6	7	8	9	10	11	12	13	14			
I. Closing balance of previous year		1,348,670,000.00				644,892,577.08		7,537,863.47	206,007.90	638,735,319.09	4,761,077,758.64	7,401,119,526.18	227,494,076.38	7,628,613,602.56			
Add: Changes in accounting policies																	
Retrospective adjustments																	
Others																	
II. Opening balance of current year		1,348,670,000.00				644,892,577.08		7,537,863.47	206,007.90	638,735,319.09	4,761,077,758.64	7,401,119,526.18	227,494,076.38	7,628,613,602.56			
III. Changes for the year (decrease is represented by "-")																	
(I) total comprehensive income						-91,994.20	-17,869,093.99	6,321,183.40			127,259,615.20	115,619,710.41	6,013,537.03	121,633,247.44			
(II) Capital contributed/reduced by equity owner						-91,994.20	-17,869,093.99				359,774,333.20	341,905,239.21	11,011,043.53	352,916,282.74			
1. Ordinary share contribution by equity owners						-91,994.20					-91,994.20		-3,411,835.95	-3,503,830.15			
2. Capital contribution by holders of other equity instruments																	
3. Share-based payment included in owners' equity																	
4. Others																	
(III) Appropriation and use of special reserve																	
1. Appropriation of special reserve								6,321,183.40				6,321,183.40		6,321,183.40			
2. Use of special reserve								57,509,554.19				57,509,554.19		57,509,554.19			
								-51,188,370.79				-51,188,370.79		-51,188,370.79			

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (CONTINUED)

January to June 2025

Item	Column No.	Amount for the previous period													
		Equity attributable to owners of the parent company													
		Paid-in capital (or share capital) Other equity instruments Less: Treasury shares Other comprehensive income Special reserve Surplus reserve Retained profit Sub-total Minority interests Total equity attributable to the owners													
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
(IV) Profit distribution															
1. Appropriation of surplus reserve Including: Statutory reserve															
Discretionary reserve															
# Reserve funds															
# Corporate development reserve															
# Transfer of profit to investment															
2. Appropriation of general risk reserve															
3. Distribution to equity owners (or shareholders)															
4. Others															
(V) Internal movement of owners' equity															
1. Capital (or share capital) increased by conversion of capital reserve															
2. Capital (or share capital) increased by conversion of surplus reserve															
3. Loss set-off by surplus reserve															
4. Transfer of change in defined benefit plan to retained earnings															
5. Transfer of other comprehensive income to retained earnings															
6. Others															
IV. Closing balance of current year		1,348,670,000.00				644,800,582.88	-10,331,230.52	6,527,191.30	638,735,319.09		4,888,337,373.84	7,516,739,236.59	233,507,613.41	7,750,246,850.00	

The head of the accounting department:
JIANG Hai Rong

Person-in-charge of accounting:
YANG Yong Jie

Legal representative of the Company:
PEI Hong Wei

NOTES TO THE INTERIM FINANCIAL STATEMENTS

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

I. BASIC INFORMATION OF THE COMPANY

(1) History, registered address, organisational form and head office address

Beijing Urban Construction Design & Development Group Co., Limited (hereinafter referred to as “the Company”) was established on 28 October 2013 by Beijing Urban Construction Group Co., Ltd. (hereinafter referred to as “BUCG”). The Company’s registered address is 5 Fuchengmen North Street, Xicheng District, Beijing, and its legal representative is Mr. Pei Hongwei. The Company’s H shares have been listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as “the Hong Kong Stock Exchange”) under stock code 01599.

The Company’s original total share capital was RMB1,348,670,000.00, of which BUCG held RMB571,031,118.00, representing 42.34% of the total share capital, and overseas issued H shares amounted to RMB387,937,000.00, representing 28.76% of the total share capital, which were listed and traded on the Hong Kong Stock Exchange in July 2014.

Legal representative: Mr. Pei Hongwei.

The Company’s headquarters is located at 5 Fuchengmen North Street, Xicheng District, Beijing.

(2) Business nature and principal activities of the Company

The Company belongs to the industrial design industry, mainly providing design, survey and consultancy services for urban rail transit and urban rail transit related industrial and civil construction and municipal engineering projects; providing construction contracting services for urban rail transit and service concession arrangements.

The current main business segments are: design, survey and consultancy, and construction contracting.

(3) Name of the parent company and group headquarters

The parent company and ultimate controlling shareholder of the Group is Beijing Urban Construction Group Co., Ltd. (hereinafter referred to as “BUCG”).

(4) Approval for issuance of the financial statements

These financial statements were approved for issue by the Company’s board of directors on 28 August 2025.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

II. SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS

A total of 21 second-tier subsidiaries are included in the scope of consolidated financial statements for the current period, the details of which are as follows:

No.	Company Name	Enterprise Level	Type	Registered Address	Principal Place of Business	Business Nature	Paid-in Capital (RMB'0,000)	Shareholding Percentage (%)	Voting Rights Percentage (%)	Investment Amount (RMB'0,000)
1	Beijing Urban Construction Exploration & Surveying Design Research Institute Co., Ltd. ("北京城建勘测設計研究院有限責任公司")	2	1	Chaoyang District, Beijing	Beijing	Surveying, designing and engineering exploration	10,000.00	100.00	100.00	3,191.43
2	China Metro Engineering Consulting Co., Ltd. ("中國地鐵工程諮詢有限責任公司")	2	1	Xicheng District, Beijing	Beijing	Rail transit engineering consulting	1,334.00	56.22	56.22	750.00
3	Beijing Urban Construction Xinjie Rail Transit Engineering Consulting Co., Ltd. ("北京城建信捷軌道交通工程諮詢有限公司")	2	1	Xicheng District, Beijing	Beijing	Rail transit engineering consulting	500.00	100.00	100.00	661.10
4	Beijing Guancheng Technology Development Co., Ltd. ("北京冠城科技發展有限公司")	2	1	Xicheng District, Beijing	Beijing	Property management	50.00	100.00	100.00	50.00
5	Beijing Huan'an Engineering Inspection Co., Ltd. ("北京環安工程檢測有限責任公司")	2	1	Xicheng District, Beijing	Beijing	Engineering consulting, monitoring and testing	3,000.00	100.00	100.00	3,000.00
6	Beijing Urban Construction Design (Hong Kong) Co., Ltd. ("北京城建設計(香港)有限公司")	2	3	Hong Kong	Hong Kong	Advisory services	236.58	100.00	100.00	236.58
7	Anhui Jingjian Capital Construction Investment Co., Ltd. ("安徽京建投資建設有限公司")	2	1	Anqing Economic and Technological Development Zone, Anhui Province	Anqing, Anhui Province	Construction project investment, construction and operation maintenance	50,000.00	88.00	88.00	44,000.00
8	Rail Transit Energy Conservation Beijing Engineering Research Center Co., Ltd. ("軌道交通節能北京市工程研究中心有限公司")	2	1	Xicheng District, Beijing	Beijing	Engineering services and development, consulting	1,000.00	90.00	90.00	900.00
9	Beijing Urban Rail Transit Construction Engineering Co., Ltd. ("北京城建軌道交通建設工程有限公司")	2	1	Tongzhou District, Beijing	Beijing	Construction contracting	30,000.00	100.00	100.00	30,000.00

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

II. SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

No.	Company Name	Level	Enterprise Type	Registered Address	Principal Place of Business	Business Nature	Paid-in Capital (RMB'0,000)	Shareholding Percentage (%)	Voting Rights Percentage (%)	Investment Amount (RMB'0,000)
10	Beijing Urban Construction Transportation Design and Research Institute Co., Ltd. (“北京城建交通設計研究院有限公司”)	2	1	Xicheng District, Beijing	Beijing	Construction design	3,000.00	100.00	100.00	3,000.00
11	Guizhou Jingjian Capital Construction Investment Co., Ltd. (“貴州京建投資建設有限公司”)	2	1	Xinpu New District, Zunyi, Guizhou Province	Zunyi, Guizhou Province	Construction project investment, construction and operation maintenance	36,000.00	75.00	75.00	27,000.00
12	Yunnan Jingjian Capital Construction Investment Co., Ltd. (“雲南京建投資建設有限公司”)	2	1	Central Yunnan New District, Kunming, Yunnan Province	Kunming, Yunnan Province	Construction project investment, construction and operation maintenance	38,698.00	90.00	90.00	34,828.20
13	Beijing Urban Infrastructure Construction Investment Management Co., Ltd. (“北京城建基礎設施投資管理有限公司”)	2	1	Xicheng District, Beijing	Beijing	Investment management and consultancy services	10,000.00	100.00	100.00	10,000.00
14	Beijing Jingjian Shuncheng Construction Investment Co., Ltd. (“北京京建順城建設投資有限公司”)	2	1	Shunyi District, Beijing	Beijing	Project investment and railway operation management	9,473.68	70.00	70.00	6,631.58
15	Huangshan Jingjian Capital Construction Investment Co., Ltd. (“黃山京建投資建設有限公司”)	2	1	Huangshan, Anhui Province	Huangshan, Anhui Province	Construction project investment, construction and operation maintenance	10,000.00	90.00	90.00	9,000.00
16	Beijing Anjie Engineering Consultants Co., Ltd. (“北京安捷工程諮詢有限公司”)	2	1	Xicheng District, Beijing	Beijing	Engineering services and development, consultancy services	500.00	51.00	51.00	255.00
17	Beijing Urban Construction Design & Development Group Guangzhou Construction Co., Ltd. (“北京城建設計發展集團廣州建設有限公司”)	2	1	Guangzhou, Guangdong Province	Guangzhou	Construction contracting		100.00	100.00	–

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

II. SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

No.	Company Name	Enterprise Level	Enterprise Type	Registered Address	Principal Place of Business	Business Nature	Paid-in Capital (RMB'0,000)	Shareholding Percentage (%)	Voting Rights Percentage (%)	Investment Amount (RMB'0,000)
18	Beijing Rail Transit Design and Research Institute Co., Ltd. ("北京市軌道交通設計研究院有限公司")	2	1	Mentougou District, Beijing	Beijing	Urban rail transit line surveying and design	1,000.00	50.00	50.00	500.00
19	Hunan Jingjian Capital Construction Investment Co., Ltd. ("湖南建投資建設有限公司")	2	1	Zhuzhou, Hunan Province	Hunan Province	Construction project investment, construction and operation maintenance	14,997.32	69.99	69.99	10,497.32
20	Beijing Yaocheng Cultural and Creative Technology Development Co., Ltd. ("北京耀城文創科技發展有限公司")	2	1	Xicheng District, Beijing	Beijing	Technology development and consulting services	1,000.00	100.00	100.00	1,000.00
21	Beijing Institute of Residential Building Design & Research Co., Ltd. ("北京市住宅建築設計研究院有限公司")	2	1	Chaoyang District, Beijing	Beijing	Architectural design	4,000.00	100.00	100.00	6,389.28

Enterprise types: 1. Domestic non-financial subsidiaries; 2. Domestic financial subsidiaries; 3. Overseas subsidiaries; 4. Public institutions; 5. Infrastructure construction units

III. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

(1) Basis for preparation of financial statements

The Company prepares its financial statements on a going concern basis, based on actual transactions and events, in accordance with the Accounting Standards for Business Enterprises – Basic Standards and specific accounting standards for business enterprises, application guidance for accounting standards for business enterprises, interpretations of accounting standards for business enterprises and other relevant regulations issued by the Ministry of Finance (hereinafter collectively referred to as "current accounting standards for business enterprises"), as well as the disclosure requirements under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong and the Hong Kong Companies Ordinance.

(2) Going concern

The Company has assessed its going concern capability for 12 months from the end of the reporting period and has not identified any matters or circumstances that would cause material doubt about its going concern capability. Therefore, these financial statements are prepared on the basis of going concern assumption.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(1) Specific accounting policies and accounting estimates disclosure

The Company determines specific accounting policies and accounting estimates based on the characteristics of production and operation, which are mainly reflected in inventory valuation methods, methods for provision of expected credit losses on receivables, depreciation of fixed assets and amortisation of intangible assets, timing of revenue recognition, etc.

(2) Statement of compliance with accounting standards for business enterprises

The financial statements prepared by the Company comply with the requirements of accounting standards for business enterprises, and truly and completely reflect the financial position, operating results, cash flows and other relevant information of the Company during the Reporting Period.

(3) Accounting period

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

(4) Functional currency

The Company adopts Renminbi as its functional currency.

(5) Accounting basis and measurement principles

The Company adopts the accrual basis as its accounting basis. When measuring accounting elements, the Company generally adopts historical cost; for situations where other attributes such as replacement cost, net realisable value, present value or fair value are used for measurement in accordance with the standards, the Company will provide special explanations.

(6) Receivables

Receivables include notes receivable, trade receivable, other receivables, etc. The trade receivable formed by the Company's external sales of goods or provision of services are initially recognised at the fair value of the contract or agreement price receivable from the purchaser. Receivables are measured using the effective interest method and are presented at amortised cost less allowance for bad debts.

1. Notes receivable

For notes receivable, regardless of whether there is a significant financing component, the Company provides loss allowances based on expected credit losses over the entire life. The Company divides notes receivable into two portfolios: bank acceptance bills and commercial acceptance bills. For notes receivable classified into portfolios, the Company calculates expected credit losses by referring to historical credit loss experience, combined with current conditions and forecasts of future economic conditions, through default risk exposure and expected credit loss rates over the entire life.

For bank acceptance bills, the Company believes that the bank acceptance bills held do not have significant credit risk and will not cause major losses due to defaults by banks or other drawers, so no bad debt provision is made.

For commercial acceptance bills, where the Company initially recognises trade receivable which are then settled by commercial acceptance bills, bad debt provisions are made according to the principle of continuous calculation of the same expected credit loss rate as trade receivable.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(6) Receivables (continued)

2. Trade receivables

The Group's methods for determining and accounting for expected credit losses on trade receivables are detailed in Note (10) 6. Impairment of financial instruments.

The Group individually determines the credit losses for trade receivables from customers experiencing objective credit impairment and deterioration, such as financial difficulties, bankruptcy or restructuring.

When sufficient evidence of expected credit losses cannot be assessed at reasonable cost at individual instrument level, the Group refers to historical credit loss experience and combines current conditions and judgments about future economic conditions to classify trade receivables into several portfolios based on credit risk characteristics, and calculates expected credit losses on a portfolio basis. The basis for determining portfolios is as follows:

Portfolio name	Basis for determining portfolio	Provision method
Aging portfolio	Trade receivables that have not experienced situations requiring individual consideration of credit losses	Provision based on aging versus lifetime expected credit loss rate comparison table

The Company has established an expected credit loss model for trade receivables, using an expected loss matrix to calculate impairment losses. Expected loss rates are generally based on historical loss rates, which are determined by observing the average migration rates based on the aging of trade receivables. The specific expected credit loss rates are as follows:

Aging	Within 6 months	6 months-1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-6 years	Over 6 years
Expected loss rate	0.5%	4.00%	9.30%	16.50%	30.00%	50.00%	90.00%	100.00%

3. Receivables financing

The Company's methods for determining and accounting for expected credit losses on receivables financing are detailed in Note (10) 6. Impairment of financial instruments.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(6) Receivables (continued)

4. Other receivables

The Company's methods for determining and accounting for expected credit losses on other receivables are detailed in Note (10) 6. Impairment of financial instruments.

For other receivables, the Company assesses at each balance sheet date whether the credit risk has increased significantly since initial recognition. If credit risk has not increased significantly since initial recognition, it is in Stage 1, and the Company measures loss allowances at an amount equal to 12-month expected credit losses and calculates interest income based on gross carrying amount and effective interest rate. If credit risk has increased significantly since initial recognition but credit impairment has not yet occurred, it is in Stage 2, and the Company measures loss allowances at an amount equal to lifetime expected credit losses and calculates interest income based on gross carrying amount and effective interest rate. If credit impairment has occurred after initial recognition, it is in Stage 3, and the Company measures loss allowances at an amount equal to lifetime expected credit losses and calculates interest income based on amortised cost and effective interest rate.

The Company individually determines credit losses for other receivables from customers experiencing objective credit impairment and deterioration, such as financial difficulties, bankruptcy or restructuring.

When sufficient evidence of expected credit losses cannot be assessed at reasonable cost at individual instrument level, the Company refers to historical credit loss experience and combines current conditions and judgments about future economic conditions to classify other receivables into several portfolios based on credit risk characteristics, and calculates expected credit losses on a portfolio basis. The basis for determining portfolios is as follows:

Portfolio name	Basis for determining portfolio	Provision method
Guarantee deposit portfolio	Guarantee deposits stipulated in contracts with owners, including tender deposits, performance deposits and security deposits	Provision based on aging versus lifetime expected credit loss rate comparison table
Related party portfolio	Internal related party transactions within the consolidation scope	—
Advances, advances on behalf of others, etc. portfolio	Employee advances, advances paid on behalf of employees, related party loans, advances paid on behalf of others and other amounts	Provision based on aging versus lifetime expected credit loss rate comparison table

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(6) Receivables (continued)

4. Other receivables (continued)

- (1) For guarantee deposits stipulated in contracts with owners among other receivables, including tender deposits, performance deposits and security deposits, when the relevant guarantee deposits are not overdue, provision is made according to the following model: Provision for impairment = Balance of guarantee deposits to owners * 0.5%. If the relevant guarantee deposits are overdue, when no credit risk deterioration has occurred to customers, provision is made according to the following table model:

Overdue aging	Within 6 months	6 months-1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-6 years	Over 6 years
Guarantee deposits and security deposits	0.5%	4.00%	9.30%	16.50%	30.00%	50.00%	90.00%	100.00%

- (2) Internal related party transactions within the consolidation scope of Urban Construction Design Group do not require bad debt provision.
- (3) Other receivables excluding tender deposits, performance deposits, security deposits and internal related party transactions within the consolidation scope, including employee advances, advances paid on behalf of employees, related party loans, advances paid on behalf of others and other amounts, when no credit risk deterioration has occurred to counterparties, provision is made according to the following model:

Aging	Within 6 months	6 months-1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Employee advances, advances paid on behalf of employees, related party loans, advances paid on behalf of others and other amounts	0.5%	5%	10%	20%	30%	60%	100%

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(6) Receivables (continued)

5. *Long-term receivables (including non-current assets due within one year)*

Long-term receivables mainly include performance deposits, PPP project advances and construction payments. Performance deposits have clear maturity dates. For non-overdue performance deposits, due to the low historical risk of non-recovery, the expected credit loss rate is 0.5%. For PPP project advances and construction payments, since the repayments of these PPP projects have been included in local government fiscal budgets and no overdue situations have occurred, the expected credit loss risk is relatively low. Considering comprehensively, the estimated expected credit loss rate is 0.1%.

(7) Contract assets (including construction quality guarantee deposits)

Contract assets refer to the right to consideration in exchange for goods transferred to customers, and such right depends on factors other than the passage of time. Under the new financial instruments standards, contract assets are subject to impairment treatment based on expected credit losses and loss allowances are recognised. Credit losses refer to the difference between all contractual cash flows receivable under the contract and all cash flows expected to be collected. Since contract assets have not formed actual trade receivables but are only due to not reaching the settlement point, and most of the owners involved in contract assets are state-owned enterprises, local governments and their controlled enterprises, the risk is relatively low. Therefore, the expected credit loss rate for contract assets is generally not higher than the expected credit loss rate of 0.5% for trade receivables within 6 months. Out of prudent consideration, the Company chooses to provide for expected credit losses on contract assets at the expected credit loss rate of 0.5% for trade receivables within 6 months. For contract assets with special risks, the Company considers them individually and makes individual provisions.

(8) Revenue

1. *General principles for revenue recognition*

The Company recognises revenue when it fulfills the performance obligations in the contract, that is, when the customer obtains control of the relevant goods or services, at the transaction price allocated to that performance obligation.

Performance obligation refers to the promise in the contract for the Company to transfer clearly distinguishable goods or services to customers.

Obtaining control of relevant goods refers to the ability to direct the use of the goods and obtain substantially all economic benefits therefrom.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(8) Revenue (continued)

1. *General principles for revenue recognition (continued)*

The Company evaluates the contract at the contract commencement date, identifies each individual performance obligation contained in the contract, and determines whether each individual performance obligation is performed over a period of time or at a point in time. If any of the following conditions is met, it is a performance obligation performed over a period of time, and the Company recognises revenue over a period of time based on performance progress: (1) the customer simultaneously receives and consumes the economic benefits brought by the Company's performance as the Company performs; (2) the customer can control the goods under construction during the Company's performance process; (3) the goods produced during the Company's performance process have no alternative use, and the Company has the right to collect payment for the performance completed to date throughout the entire contract period. Otherwise, the Company recognises revenue at the point when the customer obtains control of the relevant goods or services.

For performance obligations performed over a period of time, the Company adopts the input method to determine appropriate performance progress based on the nature of goods and services. The input method determines performance progress based on the Company's inputs to fulfill performance obligations. When performance progress cannot be reasonably determined, if costs already incurred by the Company are expected to be compensated, revenue is recognised based on the amount of costs already incurred until performance progress can be reasonably determined.

2. *Revenue treatment principles for specific transactions*

(1) *Contracts with sales return clauses*

When the customer obtains control of the relevant goods, revenue is recognised based on the amount of consideration expected to be received for transferring goods to the customer (i.e., excluding the amount expected to be returned due to sales returns), and a liability is recognised based on the amount expected to be returned due to sales returns.

The carrying amount of goods expected to be returned when selling goods, after deducting the estimated costs to be incurred to recover such goods (including impairment of returned goods), is accounted for under "receivable return costs".

(2) *Contracts with quality assurance clauses*

Assess whether the quality assurance provides a separate service beyond ensuring that the sold goods meet established standards. If the Company provides additional services, it is treated as a separate performance obligation and accounted for according to revenue standard requirements; otherwise, quality assurance responsibilities are accounted for according to contingency accounting standards.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(8) Revenue (continued)

2. Revenue treatment principles for specific transactions (continued)

(3) Sales contracts with additional purchase options for customers

The Company assesses whether the option provides customers with a significant right. If a significant right is provided, it is treated as a separate performance obligation, with transaction price allocated to that performance obligation. Revenue is recognised when the customer exercises the purchase option in the future to obtain control of relevant goods, or when the option expires. If the standalone selling price of customer additional purchase options cannot be directly observed, it is reasonably estimated after comprehensively considering all relevant information such as the difference in discounts customers can obtain by exercising and not exercising the option, and the likelihood of customers exercising the option.

(4) Contracts granting intellectual property licenses to customers

Assess whether the intellectual property license constitutes a separate performance obligation. If it constitutes a separate performance obligation, further determine whether it is performed over a period of time or at a point in time. For granting intellectual property licenses to customers with agreed royalties based on customer actual sales or usage, revenue is recognised at the later of the following two points: when the customer's subsequent sales or usage actually occurs; when the Company fulfills related performance obligations.

(5) Sale and repurchase

1) Contracts with repurchase obligations due to forward arrangements with customers: In this case, customers do not obtain control of relevant goods at the sales point, so accounting treatment is performed as lease transactions or financing transactions. Among them, when the repurchase price is lower than the original selling price, it is treated as a lease transaction and accounted for according to relevant lease regulations in enterprise accounting standards; when the repurchase price is not lower than the original selling price, it is treated as a financing transaction, recognising financial liabilities when receiving customer payments, and recognising the difference between such payments and repurchase price as interest expenses etc. during the repurchase period. If the Company does not exercise the repurchase right when due, the financial liability is derecognised when the repurchase right expires, and revenue is recognised simultaneously.

2) Contracts with repurchase obligations arising from customer requests: After assessment, if customers have significant economic incentives, sale and repurchase is treated as lease transactions or financing transactions and accounted for according to provisions in 1) above; otherwise, it is treated as sales transactions with sales return clauses.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

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IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(8) Revenue (continued)

2. Revenue treatment principles for specific transactions (continued)

(6) Contracts collecting non-refundable initial fees from customers

Non-refundable initial fees collected from customers at (or close to) the contract commencement date should be included in the transaction price. After assessment by the Company, if the initial fee is related to transferring promised goods to customers and such goods constitute a separate performance obligation, revenue is recognised at the transaction price allocated to such goods when transferring the goods; if the initial fee is related to transferring promised goods to customers but such goods do not constitute a separate performance obligation, revenue is recognised at the transaction price allocated to that individual performance obligation when the individual performance obligation containing such goods is fulfilled; if the initial fee is not related to transferring promised goods to customers, the initial fee is treated as advance payment for future goods to be transferred and recognised as revenue when transferring such goods in the future.

(9) Contract costs

1. Contract fulfillment costs

For costs incurred by the Company to fulfill contracts that are not within the scope of other enterprise accounting standards except revenue standards and simultaneously meet the following conditions, the Company recognises them as contract fulfillment costs as an asset:

- (1) The costs are directly related to a current or expected contract, including direct labour, direct materials, manufacturing costs (or similar costs), costs explicitly borne by customers, and other costs incurred solely because of the contract;
- (2) The costs increase the Company's resources for fulfilling performance obligations in the future.
- (3) The costs are expected to be recoverable.

The asset is presented in inventory or other non-current assets based on whether its amortisation period exceeds one normal operating cycle at initial recognition.

2. Contract acquisition costs

Incremental costs incurred by the Company to obtain contracts that are expected to be recoverable are recognised as contract acquisition costs as an asset. Incremental costs refer to costs that the Company would not incur if it did not obtain the contract, such as sales commissions. For those with amortisation periods not exceeding one year, they are recognised in current profit or loss when incurred.

3. Contract cost amortisation

The above assets related to contract costs are amortised at the point of performance obligation fulfillment or according to the performance progress of performance obligations, based on the same basis as revenue recognition of goods or services related to the asset, and recognised in current profit or loss.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

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IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(9) Contract costs (continued)

4. *Contract cost impairment*

For the above assets related to contract costs, when the carrying amount is higher than the difference between remaining consideration expected to be obtained by the Company from transferring goods related to the asset and estimated costs to be incurred to transfer such related goods, impairment provision should be made for the excess amount and recognised as asset impairment loss.

After making impairment provision, if factors causing impairment in previous periods change, making the above difference higher than the asset's carrying amount, previously made asset impairment provision is reversed and recognised in current profit or loss, but the asset's carrying amount after reversal does not exceed the asset's carrying amount on the reversal date assuming no impairment provision was made.

(10) Financial instruments

The Company's financial instruments include financial assets, financial liabilities and equity instruments.

1. *Classification and measurement of financial assets*

Based on the business model for managing financial assets and the contractual cash flow characteristics of financial assets, the Company classifies financial assets into the following three categories:

- (1) Financial assets measured at amortised cost.
- (2) Financial assets measured at fair value through other comprehensive income.
- (3) Financial assets measured at fair value through profit or loss.

Financial assets are measured at fair value at initial recognition, except that trade receivables or notes receivable arising from sales of goods or provision of services that do not contain significant financing components or do not consider financing components not exceeding one year are initially measured at transaction price.

For financial assets measured at fair value through profit or loss, related transaction costs are directly recognised in current profit or loss, while related transaction costs of other categories of financial assets are included in their initial recognition amount.

Subsequent measurement of financial assets depends on their classification. The Company reclassifies all affected related financial assets only when it changes the business model for managing financial assets.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

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(Unless otherwise stated, all amounts are denominated in RMB)

IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(10) Financial instruments (continued)

1. *Classification and measurement of financial assets (continued)*

(1) *Financial assets classified as measured at amortised cost*

If the contractual terms of financial assets specify that cash flows arising on specific dates are solely payments of principal and interest on the outstanding principal amount, and the business model for managing such financial assets aims to collect contractual cash flows, the Company classifies such financial assets as measured at amortised cost. The Company's financial assets classified as measured at amortised cost include notes receivable, trade receivables, other receivables, long-term receivables, debt investments, etc.

The Company uses the effective interest method to recognise interest income for such financial assets and measures them subsequently at amortised cost. Gains or losses arising from impairment, derecognition or modification are recognised in current profit or loss.

(2) *Financial assets classified as measured at fair value through other comprehensive income*

If the contractual terms of financial assets specify that cash flows arising on specific dates are solely payments of principal and interest on the outstanding principal amount, and the business model for managing such financial assets aims both to collect contractual cash flows and to sell such financial assets, the Company classifies such financial assets as measured at fair value through other comprehensive income.

The Company uses the effective interest method to recognise interest income for such financial assets. Except for interest income, impairment losses and exchange differences recognised in current profit or loss, other fair value changes are recognised in other comprehensive income. When such financial assets are derecognised, cumulative gains or losses previously recognised in other comprehensive income are transferred out of other comprehensive income and recognised in current profit or loss.

Notes receivable and trade receivables measured at fair value with changes recognised in other comprehensive income are presented as receivables financing, while other such financial assets are presented as other debt investments, of which: other debt investments due within one year from the balance sheet date are presented as non-current assets due within one year, and other debt investments with original maturity within one year are presented as other current assets.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(10) Financial instruments (continued)

1. *Classification and measurement of financial assets (continued)*

(3) *Financial assets designated as measured at fair value through other comprehensive income*

At initial recognition, the Company may irrevocably designate non-trading equity instrument investments as financial assets measured at fair value through other comprehensive income on an individual financial asset basis.

Fair value changes of such financial assets are recognised in other comprehensive income without requiring impairment provision. When such financial assets are derecognised, cumulative gains or losses previously recognised in other comprehensive income are transferred out of other comprehensive income and recognised in retained earnings. While the Company holds such equity instrument investments, dividend income is recognised and included in current profit or loss when the Company's right to receive dividends is established, economic benefits related to dividends are likely to flow to the Company, and the dividend amount can be reliably measured. The Company presents such financial assets under other equity instrument investments.

(4) *Financial assets classified as measured at fair value through profit or loss*

Equity instrument investments meeting any of the following conditions are financial assets measured at fair value through profit or loss: the purpose of obtaining such financial assets is mainly for near-term sale; they are part of an identifiable portfolio of financial asset instruments under concentrated management at initial recognition, with objective evidence indicating actual short-term profit patterns in the near term; they are derivative instruments (except derivatives meeting the definition of financial guarantee contracts and derivatives designated as effective hedging instruments).

Financial assets not meeting conditions for classification as measured at amortised cost or measured at fair value through other comprehensive income, and not designated as measured at fair value through other comprehensive income, are all classified as measured at fair value through profit or loss.

The Company uses fair value for subsequent measurement of such financial assets, recognising gains or losses from fair value changes and dividend and interest income related to such financial assets in current profit or loss.

The Company presents such financial assets under trading financial assets and other non-current financial assets based on their liquidity.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(10) Financial instruments (continued)

1. *Classification and measurement of financial assets (continued)*

(5) *Financial assets designated as measured at fair value through profit or loss*

At initial recognition, the Company may irrevocably designate financial assets as measured at fair value through profit or loss on an individual financial asset basis to eliminate or significantly reduce accounting mismatches.

For hybrid contracts containing one or more embedded derivatives whose host contracts do not belong to the above financial assets, the Company may designate them as a whole as financial instruments measured at fair value through profit or loss. However, the following situations are excluded:

- 1) Embedded derivatives do not significantly change the cash flows of hybrid contracts.
- 2) When initially determining whether similar hybrid contracts need to be separated, it is almost clear without analysis that the embedded derivatives contained should not be separated. For example, prepayment rights embedded in loans that allow holders to prepay loans at amounts close to amortised cost do not need to be separated.

The Company uses fair value for subsequent measurement of such financial assets, recognising gains or losses from fair value changes and dividend and interest income related to such financial assets in current profit or loss.

The Company presents such financial assets under trading financial assets and other non-current financial assets based on their liquidity.

2. *Classification and measurement of financial liabilities*

The Company classifies a financial instrument, or a component thereof, as a financial liability or an equity instrument on initial recognition based on the contractual terms of the financial instrument issued and the economic substance reflected therein, rather than solely in legal form, in combination with the definitions of a financial liability and an equity instrument. Financial liabilities are classified on initial recognition as financial liabilities at fair value through profit or loss, other financial liabilities, and derivatives designated as effective hedging instruments.

Financial liabilities are measured at fair value on initial recognition. For financial liabilities measured at fair value through profit or loss, the related transaction costs are charged directly to profit or loss; For other types of financial liabilities, the related transaction costs are included in the amount initially recognized.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(10) Financial instruments (continued)

2. *Classification and measurement of financial liabilities (continued)*

Subsequent measurement of financial liabilities depends on their classification:

(1) *Financial liabilities measured at fair value through profit or loss*

Such financial liabilities include transactional financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated at fair value through profit or loss on initial recognition.

A financial liability is a transaction if one of the following conditions is met: the underlying financial liability is assumed primarily for the purpose of selling or repurchasing in the near term; It is part of a centrally managed portfolio of identifiable financial instruments, and there is objective evidence that the enterprise has recently adopted a short-term profit model; They are derivatives, except for those that are designated as effective hedging instruments and those that meet financial guarantee contracts. Transactional financial liabilities (including derivatives that are financial liabilities) are subsequently measured at fair value and all changes in fair value are included in profit or loss for the period, except for those relating to hedge accounting.

At initial recognition, in order to provide more relevant accounting information, the Company irrevocably designates a financial liability that meets one of the following conditions as a financial liability at fair value through profit or loss:

- 1) Accounting mismatches can be eliminated or significantly reduced.
- 2) The management and performance evaluation of a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities on a fair value basis, in accordance with the corporate risk management or investment strategy as set out in the official written documents, and reporting to key management personnel within the enterprise on this basis.

The Company subsequently measures these financial liabilities at fair value, except for changes in fair value arising from changes in the Company's own credit risk, which are included in other comprehensive income, other changes in fair value are included in the profit or loss of the current period. The Company accounts for all changes in fair value (including the amount of the effect of changes in its own credit risk) in profit or loss for the current period, unless such changes in fair value through other comprehensive income would cause or enlarge an accounting mismatch in profit or loss.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

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(Unless otherwise stated, all amounts are denominated in RMB)

IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(10) Financial instruments (continued)

2. *Classification and measurement of financial liabilities (continued)*

(2) *Other financial liabilities*

The Company classifies financial liabilities as financial liabilities measured in amortized cost, which are subsequently measured in accordance with amortized cost using the effective interest method, and gains or losses arising from derecognition or amortisation are included in profit or loss for the period, except for the following:

- 1) Financial liabilities at fair value through profit or loss.
- 2) Financial liabilities arising from the transfer of a financial asset that does not meet the conditions for derecognition or continues to be involved in the transferred financial asset.
- 3) Financial guarantee contracts that do not fall under the first two categories of this article, and loan commitments that do not fall under category 1) of this article for loans at below-market interest rates.

A financial guarantee contract is a contract that requires an issuer to pay a specific amount to a contract holder that has suffered a loss when a particular debtor fails to pay its debt in accordance with the terms of the original or modified debt instrument when due. Financial guarantee contracts that are not financial liabilities designated at fair value through profit or loss are measured after initial recognition at the higher of the loss allowance amount and the amount initially recognised less accumulated amortisation over the guarantee period.

3. *Derecognition of financial assets and financial liabilities*

(1) *The Company derecognises and writes off a financial asset from its account and balance sheet when the following conditions are met:*

- 1) The contractual right to receive the cash flows from the financial asset is terminated.
- 2) The financial asset has been transferred and the transfer meets the requirements for derecognition of the financial asset.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(10) Financial instruments (continued)

3. *Derecognition of financial assets and financial liabilities (continued)*

(2) *Conditions for derecognition of financial liabilities*

A financial liability (or a portion of a financial liability) is derecognised if the current obligation of the financial liability (or portion of a financial liability) has been discharged.

Where an agreement is entered into between the Company and the lender to replace the original financial liability by assuming the new financial liability and the contractual terms of the new financial liability and the original financial liability are materially different, or the contractual terms of the original financial liability (or a portion thereof) are materially modified, the original financial liability is derecognised and a new financial liability is simultaneously recognised, and the difference between the carrying amount and the consideration paid (including the non-cash assets transferred out or the liabilities assumed) is included in the profit or loss of the current period.

Where the Company repurchases a portion of a financial liability, the carrying amount of the financial liability as a whole is allocated based on the fair value of the continuing recognition portion and the derecognition portion as a proportion of the fair value of the financial liability as a whole at the date of repurchase. The difference between the carrying amount allocated to the derecognised portion and the consideration paid, including the non-cash assets transferred out or liabilities assumed, is included in the current profit or loss.

4. *The basis for recognition and measurement of financial asset transfers*

When a transfer of financial assets occurs, the Company assesses the extent of the risks and rewards of retaining ownership of the financial assets and deals with each of the following:

- (1) Where substantially all the risks and rewards of ownership of a financial asset are transferred, the financial asset is derecognised and the rights and obligations arising or retained in the transfer are recognised separately as assets or liabilities.
- (2) A financial asset is recognised if it retains substantially all the risks and rewards of ownership.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

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(Unless otherwise stated, all amounts are denominated in RMB)

IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(10) Financial instruments (continued)

4. *The basis for recognition and measurement of financial asset transfers (continued)*

- (3) Where substantially all the risks and rewards of ownership of a financial asset have not been transferred or retained (i.e, other than those in (1) and (2) of this Article), they are dealt with in the following circumstances, depending on whether they retain control over the financial asset:
- 1) Where control over the financial asset is not retained, the financial asset is derecognised and the rights and obligations arising or retained in the transfer are recognised separately as assets or liabilities.
 - 2) Where control over the financial asset is retained, the financial asset continues to be recognised to the extent that it continues to be involved in the transferred financial asset and the related liability is recognised accordingly. The extent to which the Company continues to be involved in the transferred financial asset is the extent to which the Company is exposed to risks or rewards from changes in the value of the transferred financial asset.

In determining whether the transfer of financial assets meets the above conditions for derecognition of financial assets, the principle of substance over form is adopted. The Company classifies the transfer of financial assets into overall transfer and partial transfer of financial assets.

- (1) Where the overall transfer of a financial asset satisfies the derecognition condition, the difference between the following two amounts is included in the current profit or loss:
- 1) The carrying amount of the transferred financial asset at the date of derecognition.
 - 2) The sum of the consideration received for the transfer of a financial asset and the amount of the corresponding derecognised portion of the cumulative change in fair value that would have been credited directly to other comprehensive income (the financial asset involved in the transfer is a financial asset measured at fair value through other comprehensive income).

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

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(Unless otherwise stated, all amounts are denominated in RMB)

IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(10) Financial instruments (continued)

4. *The basis for recognition and measurement of financial asset transfers (continued)*

(2) Where a financial asset is partially transferred and the transferred portion as a whole satisfies the derecognition condition, the carrying amount of the financial asset as a whole before the transfer is apportioned between the derecognition portion and the continuing recognition portion (in which case, the retained service asset shall be regarded as a part of the continuing recognition of the financial asset) based on the relative fair value on the transfer date, and the difference between the following two amounts is included in the current profit or loss:

- 1) The carrying amount of the derecognised portion at the date of derecognition.
- 2) The sum of the consideration received for the derecognition component and the amount of the corresponding derecognition component of the cumulative change in fair value originally included in other comprehensive income (the financial asset involved in the transfer is a financial asset measured at fair value through other comprehensive income).

Where the transfer of a financial asset does not meet the conditions for derecognition, the financial asset is continued to be recognised and the consideration received is recognised as a financial liability.

5. *Determination of fair value of financial assets and financial liabilities*

A financial asset or financial liability that has an active market is determined at its fair value based on quoted prices in the active market, unless the financial asset has a shelf life that is specific to the asset itself. Quoted prices in active markets include quoted prices that are readily and regularly available from exchanges, dealers, brokers, industry groups, pricing agencies or regulators, etc, and that represent actual and recurring market transactions on a fair trading basis.

Financial assets acquired or derived initially, or financial liabilities assumed, are determined on the basis of market transaction prices.

Financial assets or financial liabilities that do not have an active market are valued at fair value using valuation techniques. In making the valuation, the Company uses valuation techniques that are appropriate in the circumstances and supported by sufficient available data and other information to select inputs that are consistent with the characteristics of the asset or liability that market participants consider in the transaction of the underlying asset or liability, and to the extent possible, gives preference to the relevant observable inputs. Unobservable inputs are used when the relevant observable inputs are not available or are not practicable to obtain.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(10) Financial instruments (continued)

6. *Impairment of financial instruments*

Except for financial assets at fair value through profit or loss, the Company assesses the carrying amounts of financial assets at each balance sheet date. If there is objective evidence indicating that a financial asset is impaired, the Group shall make a provision for impairment.

The Company considers all reasonable and evidenced information, including forward-looking information, to estimate the expected credit losses of financial assets measured at amortized cost and financial assets (debt instruments) measured at fair value through other comprehensive income, either individually or in combination. The measurement of expected credit losses depends on whether the financial assets have increased significantly since the initial recognition.

Expected credit losses are the weighted average of the credit losses on financial instruments weighted by the risk of default. Credit losses represent the difference between all contractual cash flows receivable under the contract and all cash flows expected to be received, discounted at the Company's original effective interest rate, being the present value of all cash shortfalls. Among them, credit-impaired financial assets purchased or originated by the Company shall be discounted at the credit-adjusted effective interest rate of the financial assets.

The Company measures loss provisions for all contract assets, notes receivable and accounts receivable formed by transactions regulated by the income standard at an amount equivalent to expected credit losses over the entire lifetime.

For purchased or originated financial assets that have experienced credit impairment, only the cumulative change in expected credit losses over the entire duration after initial recognition is recognized as a loss provision on the balance sheet date. On each balance sheet date, the change in the expected credit loss over the entire duration is included in the current profit and loss as an impairment loss or gain. Favorable changes in expected credit losses are recognized as impairment gains even if the expected credit losses for the entire lifetime determined on the balance sheet date are less than the amount of expected credit losses reflected in the estimated cash flows at initial recognition.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

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IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(10) Financial instruments (continued)

6. *Impairment of financial instruments (continued)*

In addition to the above-mentioned financial assets other than the credit impairment that has occurred using the simplified measurement method and purchased or originated, the Company assesses at each balance sheet date whether the credit risk of the relevant financial instruments has increased significantly since the initial recognition, and measures its loss allowance, recognizes expected credit losses and their changes according to the following circumstances:

- (1) If the credit risk of the financial instrument has not increased significantly since its initial recognition and is in the first stage, the loss allowance shall be measured at an amount equivalent to the expected credit loss of the financial instrument in the next 12 months, and interest income shall be calculated according to the book balance and effective interest rate.
- (2) If the credit risk of the financial instrument has increased significantly since its initial recognition but credit impairment has not yet occurred, and it is in the second stage, the loss allowance shall be measured at an amount equivalent to the expected credit loss during the entire life of the financial instrument, and the interest income shall be calculated according to the book balance and the effective interest rate.
- (3) If the financial instrument has suffered credit impairment since its initial recognition, it is in the third stage, and the Company measures its loss provision at an amount equivalent to the expected credit loss during the entire life of the financial instrument, and calculates interest income at amortized cost and effective interest rate.

The amount by which the credit loss allowance for a financial instrument is increased or reversed is credited to profit or loss as an impairment loss or gain. Except for financial assets classified as at fair value through other comprehensive income, credit loss allowance is made against the carrying amount of the financial asset. For financial assets classified as at fair value through other comprehensive income, the Company recognises its credit loss allowance in other comprehensive income and does not reduce the carrying amount of the financial asset as shown in the balance sheet.

If the Company has measured the loss allowance at an amount equal to the expected credit losses over the lifetime of the financial instrument in the previous accounting period, but the financial instrument is no longer subject to a significant increase in credit risk since initial recognition at the balance sheet date of the current period, the Company measures the loss allowance at an amount equal to the expected credit losses over the next 12 months at the balance sheet date of the current period, and the reversal amount of the loss allowance thus formed is included in the current profit or loss as an impairment gain.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

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(Unless otherwise stated, all amounts are denominated in RMB)

IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(10) Financial instruments (continued)

6. *Impairment of financial instruments (continued)*

(1) *Significant increase in credit risk*

The Company uses available reasonable and supportable forward-looking information to determine whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of a default occurring on the balance sheet date with the risk of a default occurring on the date of initial recognition. For financial guarantee contracts, the date on which the Company becomes a party to an irrevocable commitment is the date of initial recognition when the Company applies the impairment provision for financial instruments.

In assessing whether there has been a significant increase in credit risk, the Company considers the following factors:

- 1) Whether there has been an actual or expected significant change in the operating results of the debtor;
- 2) Whether there has been a significant adverse change in the regulatory, economic or technological environment in which the debtor is located;
- 3) Whether there has been a significant change in the value of the collateral used as security for the debt or in the quality of the guarantees or credit enhancements provided by third parties that is expected to reduce the debtor's economic incentive to pay within the contractual time limit or affect the probability of default;
- 4) Whether there has been a significant change in the expected performance and repayment behavior of the debtor;
- 5) Changes in the Company's credit management methods for financial instruments, etc.

At the balance sheet date, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the Company determines that the financial instrument has only low credit risk. A financial instrument is considered to have low credit risk if it has a low risk of default, the borrower has a strong ability to meet its contractual cash flow obligations in the short term, and even if there are adverse changes in the economic situation and operating environment over a longer period of time, it may not necessarily reduce the borrower's ability to meet its contractual cash flow obligations.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

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(Unless otherwise stated, all amounts are denominated in RMB)

IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(10) Financial instruments (continued)

6. *Impairment of financial instruments (continued)*

(2) *Financial assets with credit impairment*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the expected future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable information:

- 1) Significant financial difficulties of the issuer or the debtor;
- 2) Breach of contract by the debtor, such as default or overdue payment of interest or principal, etc.;
- 3) A concession given by a creditor to the debtor that the debtor would not otherwise make for economic or contractual reasons relating to the debtor's financial difficulties;
- 4) The debtor is likely to go bankrupt or undergo other financial restructuring;
- 5) The financial difficulty of the issuer or the debtor results in the disappearance of an active market for the financial asset;
- 6) A financial asset is purchased or originated at a significant discount that reflects the fact that a credit loss has occurred.

Credit impairment of financial assets may be caused by the joint action of multiple events, and may not be caused by separately identifiable events.

(3) *Determination of ECL*

The Company assesses the ECLs for financial instruments individually and in combination, taking into account reasonable and supportable information about past events, current conditions and forecasts of future economic conditions in assessing the ECLs.

The Company classifies financial instruments into different combinations based on common credit risk characteristics. Common credit risk characteristics adopted by the Company include: aging mix, contract settlement cycle, debtor's industry, etc. See the accounting policies for the relevant financial instruments for the individual assessment criteria and the combined credit risk characteristics of the relevant financial instruments.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(10) Financial instruments (continued)

6. *Impairment of financial instruments (continued)*

(3) *Determination of ECL (continued)*

The Company determines the ECL for the relevant financial instruments as follows:

- 1) For financial assets, credit losses are the present value of the difference between the contractual cash flows that the Company is expected to receive and the cash flows that it expects to receive.
- 2) For lease receivables, the credit loss is the present value of the difference between the contract cash flow the Company should collect and the cash flow expected to collect.
- 3) For financial guarantee contracts, credit losses are the present value of the difference between the expected payments to be made by the Company to the contract holder for credit losses incurred by the contract holder, less the amount that the Company expects to receive from the contract holder, the debtor or any other party.
- 4) For a financial asset that is credit-impaired at the balance sheet date but not purchased or originated from credit-impaired, credit loss is the difference between the carrying amount of the financial asset and the present value of the estimated future cash flows discounted at the original effective interest rate.

Factors reflected in the Company's approach to ECL on quantitative finance Instruments include: an unbiased probability-weighted average amount determined by evaluating a range of possible outcomes; The time value of money; Reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions that is available at the balance sheet date without undue additional cost or effort.

(4) *Write-down of financial assets*

When the Company no longer reasonably expects the contractual cash flows of a financial asset to be recovered in whole or in part, the carrying amount of the financial asset is written down directly. Such a write-down constitutes a derecognition of the relevant financial asset.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

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(Unless otherwise stated, all amounts are denominated in RMB)

IV. EXPLANATION OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(10) Financial instruments (continued)

7. *Offset of financial assets and financial liabilities*

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset against each other. However, if the following conditions are met at the same time, the net amount after offsetting is shown in the balance sheet:

- (1) The Company has a legal right to set off the recognised amounts and such legal right is currently enforceable;
- (2) The Company plans to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

V. EXPLANATION OF ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES, AND CORRECTION OF MAJOR PREVIOUS ERRORS

(1) Changes in accounting policies

There were no changes in accounting policies during the reporting period. However, the comparative figures for the reporting period and the year ended 30 June 2024 were prepared in accordance with the disclosure requirements of Chinese Accounting Standards for Business Enterprises.

(2) Changes in accounting estimates

There were no changes in accounting estimates during the reporting period.

(3) Important corrections of prior period errors

No corrections to prior period accounting errors using the retrospective restatement method occurred during the reporting period.

VI. TAXATION

The main taxable items of the Company and its subsidiaries are listed as follows:

(I) Turnover tax and additional taxes and fees

Tax Type	Tax basis	Tax rate	Note
Value-added tax	Output tax is calculated at the applicable tax rate on the taxable income, and is levied according to the difference after deducting deductible input tax for the current period	13%,9%,6%	
	Simple Tax Computation	3%	
City construction and maintenance tax	Turnover tax actually paid	7%	
Education surcharges	Turnover tax actually paid	3%	
Local education surcharge	Turnover tax actually paid	2%	

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VI. TAXATION (CONTINUED)

(II) Corporate income tax

Company name	Tax rate	Note
The Company	15.00%	Note 1
Beijing Urban Construction Exploration & Surveying Design Institute Co., Ltd. (北京城建勘測設計研究院有限責任公司)	15.00%	Note 2
China Metro Engineering Consulting Co., Ltd. (中國地鐵工程諮詢有限責任公司)	15.00%	Note 3
Beijing Urban Construction Xinjie Consulting Co., Ltd. (北京城建信捷軌道交通工程諮詢有限公司)	15.00%	Note 4
Beijing Guancheng Technology Development Co., Ltd. (北京冠城科技發展有限公司)	20.00%	Note 5
Beijing Huan'an Engineering Inspection Co., Ltd. (北京環安工程檢測有限責任公司)	15.00%	Note 6
Beijing Urban Construction Design (Hong Kong) Co., Ltd. (北京城建設計(香港)有限公司)	16.50%	Note 7
Anhui Jingjian Capital Construction Investment Co., Ltd. (安徽京建投資建設有限公司)	25.00%	
Rail Transit Energy Conservation Beijing Engineering Research Center Co., Ltd. (軌道交通節能北京市工程研究中心有限公司)	20.00%	Note 8
Beijing Urban Rail Transit Construction Engineering Co., Ltd. (北京城建軌道交通建設工程有限公司)	15.00%	Note 9
Beijing Urban Construction Transportation Design and Research Institute Co., Ltd. (北京城建交通設計研究院有限公司)	20.00%	Note 10
Guizhou Jingjian Capital Construction Investment Co., Ltd. (貴州京建投資建設有限公司)	25.00%	
Yunnan Jingjian Capital Construction Investment Co., Ltd. (雲南京建投資建設有限公司)	25.00%	
Beijing Urban Infrastructure Construction Investment Management Co., Ltd. (北京城建基礎設施投資管理有限公司)	25.00%	
Beijing Jingjian Shuncheng Construction Investment Co., Ltd. (北京京建順城建設投資有限公司)	25.00%	
Huangshan Jingjian Capital Construction Investment Co., Ltd. (黃山京建投資建設有限公司)	25.00%	
Beijing Anjie Engineering Consultants Co., Ltd. (北京安捷工程諮詢有限公司)	15.00%	Note 11
Beijing Urban Construction Design & Development Group Guangzhou Construction Co., Ltd. (北京城建設計發展集團廣州建設有限公司)	25.00%	
Beijing Rail Transit Design and Research Institute Co., Ltd. (北京市軌道交通設計研究院有限公司)	15.00%	Note 12

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VI. TAXATION (CONTINUED)

(II) Corporate income tax (continued)

Company name	Tax rate	Note
Hunan Jingjian Capital Construction Investment Co., Ltd. (湖南京建投資建設有限公司)	25.00%	
Beijing Yaocheng Cultural and Creative Technology Development Co., Ltd. (北京耀城文創科技發展有限公司)	20.00%	Note 13
Beijing Institute of Residential Building Design & Research Co., Ltd. (北京市住宅建築設計研究院有限公司)	15.00%	Note 14

Note 1: On 18 October, 2022, after the re-examination by Gaoxin, the Company obtained the High and New Technology Enterprise Certificate again, with a validity period of 3 years. The Company is subject to corporate income tax at a preferential rate of 15%. The certificate number is GR202211000582. The Company handles tax reduction and exemption filing procedures with Local Taxation Bureau of Xicheng District, Beijing during the period for final settlement each year.

Note 2: On 18 October, 2022, after the re-examination, a subsidiary of the Company, Beijing Urban Construction Exploration & Surveying Design Institute Co., Ltd. obtained the High and New Technology Enterprise Certificate with a validity period of 3 years. The subsidiary is subject to corporate income tax at a preferential rate of 15% from 2019. The certificate number is GR202211000807. The subsidiary handles tax reduction and exemption filing procedures with Local Taxation Bureau of Chaoyang District, Beijing during the period for final settlement each year.

Note 3: A subsidiary of the Company, China Metro Engineering Consulting Co., Ltd., passed the re-examination of High and New Technology Enterprise Certificate in 2023 and is subject to a corporate income tax rate of 15%. The certificate number is GR202311002642 with the date of issue on 26 October, 2023. The validity of the certificate is three years.

Note 4: On 29 October 2024, after the re-examination, a subsidiary of the Company, Beijing Urban Construction Xinjie Consulting Co., Ltd., obtained the High and New Technology Enterprise Certificate. The certificate number is GR202411003490 with a validity period of 3 years. The subsidiary is subject to a corporate income tax rate of 15%. The Company handles tax reduction and exemption filing procedures with Local Taxation Bureau of Xicheng District, Beijing during the period for final settlement each year.

Note 5: In accordance with notice No. 12 issued by the Ministry of Finance and the State Administration of Taxation in 2023, for the part of small profit-making enterprises, 25% shall be included in the taxable income, and the enterprise income tax shall be paid at the tax rate of 20%. The policy will continue to be implemented until 31 December 2027. A subsidiary of the Company, Beijing Guancheng Technology Development Co., Ltd. will be entitled to the policy.

Note 6: A subsidiary of the Company, Beijing Huan'an Engineering Inspection Co., Ltd., passed the re-examination of High and New Technology Enterprise Certificate in 2023 and is subject to income tax rate of 15%. The certificate number is 202311001381 with the date of issue on 26 October, 2023. The validity of the certificate is three years.

Note 7: The applicable income tax rate of a subsidiary of the Company, Beijing Urban Construction Design (Hong Kong) Co., Ltd. is 16.5%.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VI. TAXATION (CONTINUED)

(II) Corporate income tax (continued)

Note 8: In accordance with notice No. 12 issued by the Ministry of Finance and the State Administration of Taxation in 2023, for the part of small profit-making enterprises, 25% shall be included in the taxable income, and the enterprise income tax shall be paid at the tax rate of 20%. The policy will continue to be implemented until 31 December 2027. A subsidiary of the Company, Rail Transit Energy Conservation Beijing Engineering Research Center Co., Ltd. will be entitled to the policy.

Note 9: On 26 October, 2023, a subsidiary of the Company, Beijing Urban Construction Railway Construction Engineering Co., Ltd. renewed its High and New Technology Enterprise Certificate. The certificate number is GR202311002075 with a validity period of three years. The applicable income tax rate is 15%.

Note 10: In accordance with Notice No. 12 issued by the Ministry of Finance and the State Administration of Taxation in 2023, for the part of small profit-making enterprises, 25% shall be included in the taxable income, and the enterprise income tax shall be paid at the tax rate of 20%. The policy will continue to be implemented until 31 December 2027. A subsidiary of the Company, Beijing Urban Construction Transportation Design and Research Institute Co., Ltd. will be entitled to the policy.

Note 11: A subsidiary of the Company, Beijing Anjie Engineering Consultants Co., Ltd., passed the re-examination of High and New Technology Enterprise Certificate in 2023 and is subject to income tax rate of 15%. The certificate number is GR202311001381 with the date of issue on 26 October, 2023. The validity of the certificate is three years.

Note 12: A subsidiary of the Company, Beijing Rail Transit Design and Research Institute Co., Ltd. renewed its High and New Technology Enterprise Certificate. The certificate number is GR202311002602 with the date of issue on 26 October, 2023. The validity of the certificate is three years.

Note 13: In accordance with Notice No. 12 issued by the Ministry of Finance and the State Administration of Taxation in 2023, for the part of small profit-making enterprises, 25% shall be included in the taxable income, and the enterprise income tax shall be paid at the tax rate of 20%. The policy will continue to be implemented until 31 December 2027. A subsidiary of the Company, Beijing Yaocheng Cultural and Creative Technology Development Co., Ltd. will be entitled to the policy.

Note 14: A subsidiary of the Company, Beijing Institute of Residential Building Design & Research Co., Ltd., obtained the High and New Technology Enterprise Certificate on 2 November 2022 with a validity period of 3 years. The company is subject to corporate income tax at a preferential rate of 15% from 2022. The certificate number is GR202211002799. The Company handles tax reduction and exemption filing procedures with the State Administration of Taxation in Dongcheng District, Beijing during the period for final settlement each year.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VII. DESCRIPTION OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(The following monetary units are all in RMB unless otherwise specified. The Opening balance is 1 January 2025; the Closing balance is 30 June 2025; the amount for the Current Period is January to June 2025; the amount for the Prior Period is January to June 2024)

Note 1. Monetary fund

Items	Closing balance	Opening balance
Cash on hand	1,261,774.61	1,155,708.69
Bank deposits	1,901,176,831.71	3,060,417,192.01
Other monetary funds	31,197,351.93	94,936,136.44
Sub-total	1,933,635,958.25	3,156,509,037.14
Less: Credit impairment provisions	1,933,635,958.25	3,156,509,037.14
Total		
Including: total amount of deposit abroad	799,468.98	1,165,028.48

Note 2. Accounts receivables

1. Disclosure of accounts receivable by aging

Aging	Closing balance		Opening balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Within 6 months	1,531,712,350.31	7,678,301.65	1,704,301,739.79	8,622,185.39
6 months – 1 year	1,134,113,617.30	45,364,544.69	744,452,899.09	29,758,915.99
1 – 2 years	804,105,555.79	74,781,816.69	854,122,449.63	79,365,929.88
2 – 3 years	585,820,913.49	96,714,558.89	452,640,401.28	73,182,564.11
3 – 4 years	286,163,076.90	87,461,619.43	328,826,510.81	92,412,019.09
4 – 5 years	395,910,766.55	177,569,284.64	381,208,520.71	192,420,108.31
Over 5 years	705,662,759.59	701,651,426.83	726,712,047.81	703,769,534.51
Total	5,443,489,039.93	1,191,221,552.82	5,192,264,569.12	1,179,531,257.28

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VII. DESCRIPTION OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 2. Accounts receivables (continued)

2. Accounts receivables disclosed by classification of provision method for bad debts

Category	Book balance		Closing balance		Book value
	Amount	Proportion (%)	Provision for bad debts	Expected credit loss rate (%)	
Individual provision for bad debts	223,628,566.00	4.11	137,716,107.21	61.58	85,912,458.79
Trade receivables with provision made for bad debts using portfolios	5,219,860,473.93	95.89	1,053,505,445.61	20.18	4,166,355,028.32
Including: accounts receivables accruing bad debt provision by applying aging analysis	5,219,860,473.93	95.89	1,053,505,445.61	20.18	4,166,355,028.32
Total	5,443,489,039.93	—	1,191,221,552.82	—	4,252,267,487.11

Category	Book balance		Opening balance		Book value
	Amount	Proportion (%)	Provision for bad debts	Expected credit loss rate (%)	
Individual provision for bad debts	216,740,171.78	4.17	134,271,910.12	61.95	82,468,261.66
Provision for bad debts accrued on a portfolio basis	4,975,524,397.34	95.83	1,045,259,347.16	21.01	3,930,265,050.18
Including: accounts receivables accruing bad debt provision by applying aging analysis	4,975,524,397.34	95.83	1,045,259,347.16	21.01	3,930,265,050.18
Total	5,192,264,569.12	—	1,179,531,257.28	—	4,012,733,311.84

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VII. DESCRIPTION OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 2. Accounts receivables (continued)

3. Individual provision for bad debts

Name	Book balance	Provision for bad debts	Expected credit loss rate (%)	Reason for provision
Delingha Culture Tourism Development Co., Ltd. (德令哈文化旅遊發展有限公司)	171,408,859.08	85,496,400.28	49.88	Expected partly not to be recovered
Beijing MTR Construction Administration Corporation (北京市軌道交通建設管理有限公司)	15,720,123.44	15,720,123.44	100	Expected not to be recovered
CIF Airport Company Limited (中基機場建設有限公司)	3,960,268.49	3,960,268.49	100	Expected not to be recovered
Beijing Subway Operation Co., Ltd. (北京市地鐵運營有限公司)	3,128,301.88	3,128,301.88	100	Expected not to be recovered
CIF INTERNATIONAL CONSTRUCTION CO., LIMITED (中基國際建設有限公司)	1,634,813.98	1,634,813.98	100	Expected not to be recovered
Beijing Gaoyi Property Development Co., Ltd. (北京高億房地產開發有限公司)	603,773.58	603,773.58	100	Expected not to be recovered
Planning Market Department of Chaoyang Branch of Beijing Center for Land Consolidation Reserve (北京市土地整理儲備中心朝陽分中心規劃市場部)	587,948.01	587,948.01	100	Expected not to be recovered
China Huaxi Engineering Design and Construction Co. Ltd. Beijing Engineering and Construction Branch (中國華西工程設計建設有限公司北京工程建設分公司)	477,037.74	477,037.74	100	Expected not to be recovered
Beijing Dongzhimen Airport Express Railway Company Limited (北京東直門機場快速軌道有限公司)	415,866.98	415,866.98	100	Expected not to be recovered
Beijing Infrastructure Investment Co., Ltd. (北京市基礎設施投資有限公司)	275,849.06	275,849.06	100	Expected not to be recovered
Shenzhen Metro No. 3 Line Investment Co., Ltd. (深圳市地鐵三號線投資有限公司)	244,311.66	244,311.66	100	Expected not to be recovered
Chaoyang Branch of Beijing Center for Land Consolidation Reserve (北京市土地整理儲備中心朝陽分中心)	125,829.89	125,829.89	100	Expected not to be recovered
CHINA RAILWAY NO.5 ENGINEERING GROUP CO., LTD (中鐵五局(集團)有限公司)	94,339.62	94,339.62	100	Expected not to be recovered
Changchun Metro Co., Ltd. (長春市地鐵有限責任公司)	26,796.23	26,796.23	100	Expected not to be recovered
Land Reserve Centers of Beijing CBD Branch (北京市土地整理儲備中心商務區分中心)	775.64	775.64	100	Expected not to be recovered
Other Units	24,923,670.72	24,923,670.72	100	Expected not to be recovered
Total	223,628,566.00	137,716,107.21	–	

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VII. DESCRIPTION OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 2. Accounts receivables (continued)

4. *Accounts receivables of bad debt provision in credit risk characteristic portfolio*

Accounts receivables accruing bad debt provision by applying aging analysis (calculated based on the invoice date)

Aging	Closing balance		Opening balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Within 6 months	1,531,712,350.29	7,678,301.66	1,704,301,739.79	8,622,185.39
6 months – 1 year	1,134,113,617.31	45,364,544.69	744,452,899.09	29,758,915.99
1 – 2 years	804,105,555.79	74,781,816.69	853,960,320.77	79,365,929.88
2 – 3 years	585,658,784.63	96,633,699.47	452,640,401.28	73,182,564.11
3 – 4 years	278,048,291.08	83,414,487.33	307,562,666.06	92,268,799.84
4 – 5 years	250,013,822.15	125,012,201.69	255,205,810.20	127,602,905.11
Over 5 years	636,208,052.68	620,620,394.08	657,400,560.15	634,458,046.84
Total	5,219,860,473.93	1,053,505,445.61	4,975,524,397.34	1,045,259,347.16

5. *Accounts receivable actually charged off in the Current Period*

No accounts receivable were actually written off during the Current Period.

6. *Top five accounts receivable at the end of the period, collected by debtor*

Name	Book balance	Proportion in the total accounts receivables (%)	Provision for bad debts
Beijing MTR Construction Administration Corporation (北京市軌道交通建設管理有限公司)	520,197,151.86	9.56	108,799,201.47
Anqing Municipal Finance Bureau (安慶市財政局)	391,135,446.60	7.19	11,459,877.23
Administration Committee of Dianzhong New District of Yunnan (雲南滇中新區管理委員會)	272,142,116.31	5.00	4,080,400.59
Guangzhou Metro Group Co., Ltd. (廣州地鐵集團有限公司)	232,516,531.74	4.27	4,465,237.08
Beijing Urban Construction Group Co., Ltd. (北京城建集團有限責任公司)	194,258,192.97	3.57	21,708,772.69
Total	1,610,249,439.48	29.59	150,513,489.06

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VII. DESCRIPTION OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 3. Prepayments

Aging	Closing Balance		Opening Balance	
	Book balance Amount	Proportion (%)	Book balance Amount	Proportion (%)
Within 1 year				
(including 1 year)	58,573,284.88	79.29	29,168,259.55	53.16
1 – 2 years				
(including 2 years)	3,738,911.38	5.06	4,426,639.99	8.07
2 – 3 years				
(including 3 years)	549,377.51	0.74	6,688,214.88	12.19
Over 3 years	11,010,672.95	14.91	14,583,595.20	26.58
Total	73,872,246.72	—	54,866,709.62	—

Note 4. Other receivables

Items	Closing balance	Opening balance
Interest receivable		
Dividends receivable	89,583,274.83	89,583,274.83
Other receivables	124,156,597.61	128,590,246.87
Total	213,739,872.44	218,173,521.70

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VII. DESCRIPTION OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 4. Other receivables (continued)

1. Dividends receivable

Items	Closing balance	Opening balance	Reasons for non-recovery	Whether impairment has occurred and the basis for judging it
Dividends receivable less than one year	4,182,474.83	89,583,274.83		
Yunnan Jingjian Rail Transit Investment and Construction Co., Ltd. (雲南京建軌道交通投資建設有限公司)		85,400,800.00		
Beijing Urban Construction Zhikong Technology Co., Ltd. (北京城建智控科技股份有限公司)	4,182,474.83	4,182,474.83		
Dividends receivable that are more than one year	85,400,800.00			
Yunnan Jingjian Rail Transit Investment and Construction Co., Ltd. (雲南京建軌道交通投資建設有限公司)	85,400,800.00		No payment	The payment is scheduled and no impairment occurred
Total	89,583,274.83	89,583,274.83		

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VII. DESCRIPTION OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 4. Other receivables (continued)

2. Other receivables

(1) Disclosure by aging

Aging	Closing balance	Opening balance
Within 6 months	55,276,516.94	71,362,943.01
6 months – 1 year	23,113,186.32	16,414,657.59
1 – 2 years	19,405,752.11	6,235,190.46
2 – 3 years	9,892,382.50	21,444,031.94
3 – 4 years	16,007,669.18	9,120,299.08
4 – 5 years	9,693,115.96	11,681,937.09
Over 5 years	33,687,987.51	31,285,766.92
Sub-total	167,076,610.52	167,544,826.09
Less: provision for bad debts	42,920,012.91	38,954,579.22
Total	124,156,597.61	128,590,246.87

(2) Provision for bad debt on other receivables made, recovered or reversed in the current period

Provision for bad debts	Phase 1 Expected credit losses over the next 12 months	Phase 2 Expected credit losses over the entire duration (no credit impairment occurred)	Phase 3 Expected credit loss over the entire duration (credit impairment occurred)	Total
Opening balance	17,748,911.72	9,246,060.34	11,959,607.16	38,954,579.22
Opening balance in the current period				
– Transfer to the second stage				
– Transfer to the third stage				
– Reverse to the second stage				
– Reverse to the first stage				
Provision in the current period	-184,118.35	2,943,340.70	1,206,211.34	3,965,433.69
Reverse in the current period				
Resale in the current period				
Write-off in the current period				
Other changes				
Closing balance	17,564,793.37	12,189,401.04	13,165,818.50	42,920,012.91

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VII. DESCRIPTION OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 4. Other receivables (continued)

2. Other receivables (continued)

(3) Other receivables due from the top five debtors by closing balance

Name of debtor	Book balance	Proportion in the total closing balance of other receivables (%)	Provision for bad debts
Beijing Uni.-Construction Group Co., Ltd. (北京住總集團有限責任公司)	8,615,885.82	5.16	–
Beijing Urban Construction Group Co., Ltd. (北京城建集團有限責任公司)	6,560,074.90	3.93	27,098.11
Natural Resources and Planning Bureau of Huailai County (懷來縣自然資源和規劃局).	3,531,999.73	2.11	1,765,999.86
Hohhot Urban Rail Transit Construction and Management Co., Ltd. (呼和浩特市城市軌道交通建設管理有限責任公司)	3,033,815.00	1.82	114,415.12
Huangshan Development & Investment Group Co., Ltd.(黃山市開發投資集團有限公司)	3,000,000.00	1.80	279,000.00
Total	24,741,775.45	14.82	2,186,513.09

Note 5. Inventories

Items	Book balance	Closing balance Provisions for inventories	Book value	Book balance	Opening balance Provisions for inventories	Book value
Raw materials	23,937,916.27		23,937,916.27	35,622,623.18		35,622,623.18
Self-manufactured semi-finished products and goods in process	21,123,548.37		21,123,548.37	21,030,664.09		21,030,664.09
Stock commodities (finished goods)	42,513,983.02		42,513,983.02	23,841,904.15		23,841,904.15
Turnover materials	14,429,260.43		14,429,260.43	14,429,136.54		14,429,136.54
Contract performance costs						–
Total	102,004,708.09		102,004,708.09	94,924,327.96		94,924,327.96

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VII. DESCRIPTION OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 6. Contract assets

Items	Book balance	Closing balance Provision for impairment	Book value	Book balance	Opening balance Provision for impairment	Book value
Completed and unsettled assets	5,406,512,962.76	488,458,709.29	4,918,054,253.47	5,028,141,510.75	412,329,903.03	4,615,811,607.72
Warranty due within 1 year	78,865,670.17	384,474.82	78,481,195.35	113,380,972.77	550,981.64	112,829,991.13
Contract assets of PPP Projects	769,162,024.79	1,691,722.16	767,470,302.63	792,503,020.39	4,992,827.12	787,510,193.27
Total	6,254,540,657.72	490,534,906.27	5,764,005,751.45	5,934,025,503.91	417,873,711.79	5,516,151,792.12

Note 7. Other current assets

Items	Closing balance	Opening balance
Input tax to be deducted and advance tax	161,197,341.74	120,180,296.70
Deferred expenses (including renovation works amounts and renovation amounts)	5,433,541.12	5,519,292.97
Total	166,630,882.86	125,699,589.67

Note 8. Other equity investment

Items	Closing balance	Opening balance
Zhongdixin Geographic Information Equity Investment Fund Limited (Limited Partnership) (中地信地理資訊股權投資基金(有限合夥))	1,900,000.00	1,900,000.00
Zhongshan Deep Water Environmental Water Co., Ltd. (中山市深水環境水務有限公司)	800.00	800.00
China Communications Fourth Airlines (Zhongshan) Environmental Protection Engineering Co., Ltd. (中交四航(中山)環保有限公司)	20,000.00	20,000.00
Beijing Jingxi Ecological Cultural Tourism Investment Co., Ltd. (北京京西生態文旅投資有限公司)	2,972,026.04	3,300,247.32
Beijing Urban Construction Intelligent Control Co., Ltd. (北京城建智控科技股份有限公司)	240,050,938.09	222,574,748.71
Total	244,943,764.13	227,795,796.03

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VII. DESCRIPTION OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 9. Other non-current financial assets

Items	30 June 2025	31 December 2024
Financial assets at fair value through profit and loss:		
Beijing Jiuzhou First Rail Environmental Technology Co., Ltd. ("Jiuzhou First Rail") (北京九州一軌環境科技股份有限公司)	6,534,000.00	5,178,000.00
Total	6,534,000.00	5,178,000.00

Note 10. Changes of fixed assets

For the six months ended 30 June 2025, the Group disposed of certain machinery equipment, transportation equipment and office equipment, etc. with a carrying value of RMB711,391.83 (for the six months ended 30 June 2024: RMB963,696.78) in exchange for proceeds of RMB31,848.26 (for the six months ended 30 June 2024: RMB268,466.71), resulting in a gain on disposal of RMB623,462.47 (for the six months ended 30 June 2024: gain on disposal of RMB466,251.77).

For the six months ended 30 June 2025, the Group incurred expenditures of RMB9,845,264.45 (for the six months ended 30 June 2024: RMB60,345,797.97), primarily for machinery equipment, office equipment, and capacity enhancement.

Note 11. Other non-current assets

Items	Closing balance	Opening balance
Construction work amounts under the services concession arrangement	4,324,803,601.75	4,523,908,805.87
Input tax to be deducted and advance tax	103,265,433.02	103,227,315.99
Construction quality deposits	1,759,304.27	–
Advance payment for acquisition of properties	20,624,594.00	20,624,594.00
Total	4,450,452,933.04	4,647,760,715.86

Note 12. Short-term loans

Items	Closing balance	Opening balance
Pledged borrowing	375,401,041.67	380,528,305.56
Mortgaged borrowing		
Guaranteed borrowing		30,499,225.47
Borrowing on credit	542,602,419.35	389,029,945.72
Total	918,003,461.02	800,057,476.75

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VII. DESCRIPTION OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 13. Accounts payable

Aging (calculated based on the invoice date)	Closing balance	Opening balance
Within 1 year (including 1 year)	1,939,422,443.36	2,567,708,148.67
1 – 2 years (including 2 years)	1,040,053,400.67	1,334,999,374.92
2 – 3 years (including 3 years)	558,438,044.07	602,581,241.99
Over 3 years	1,558,748,161.46	1,034,637,883.22
Total	5,096,662,049.56	5,539,926,648.80

Note 14. Contract liabilities

Items	Closing balance	Opening balance
Advance on design fee, survey, and consultancy	552,595,832.58	506,608,688.82
Settled and uncompleted	1,613,276,950.83	2,224,799,455.38
Total	2,165,872,783.41	2,731,408,144.20

Note 15. Non-current liabilities due within one year

Items	Closing balance	Opening balance
Long-term borrowings due within 1 year	211,164,602.08	208,117,979.03
Bonds payable due within 1 year	8,699,178.08	2,381,917.81
Long-term payables due within 1 year	10,927,697.72	14,961,048.56
Other Long-term liabilities due within 1 year	5,598,362.42	6,681,727.57
Lease liabilities due within 1 year	89,521,723.99	81,837,804.76
Total	325,911,564.29	313,980,477.73

Note 16. Other current liabilities

Items	Closing balance	Opening balance
Short-term bonds payable	504,399,726.03	506,627,945.21
Output tax to be carried forward	205,811,239.22	229,459,320.28
Other	–	1,100,000.00
Total	710,210,965.25	737,187,265.49

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VII. DESCRIPTION OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 17. Long-term borrowings

Items	Closing balance	Opening balance	End of period interest rate range (%)
Pledged borrowing	4,103,245,909.09	4,186,024,094.09	3.35-4.45
Mortgaged borrowing			
Guaranteed borrowing			
Borrowing on credit	148,000,000.00	148,000,000.00	1.99-4.9
Total	4,251,245,909.09	4,334,024,094.09	—

Note 18. Bonds payable

Items	Closing balance	Opening balance
24 UCD MTN001	508,699,178.08	502,381,917.81
Less: Bonds payable due within 1 year	8,699,178.08	2,381,917.81
Total	500,000,000.00	500,000,000.00

Changes in bonds payable

Name of bond	Par value	Issue date	Maturity	Issue amount
24 UCD MTN001	500,000,000.00	2024-10-24	3 years	500,000,000.00
Total	500,000,000.00			500,000,000.00

Name of bond	Opening balance	Issue in the current year	Interest accrued at par value	Amortisation of premiums and discounts	Repayment in the current period	Closing balance
24 UCD MTN001	502,381,917.81		6,317,260.27			508,699,178.08
Sub-total	502,381,917.81		6,317,260.27			508,699,178.08
Including: Bonds payable due within 1 year	2,381,917.81		6,317,260.27			8,699,178.08
Total	500,000,000.00					500,000,000.00

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VII. DESCRIPTION OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 19. Share capital

Name of investor	Opening balance		Increase during the period	Decrease during the period	Closing balance	
	Investment	Percentage (%)			Investment	Percentage (%)
Beijing Urban Construction Group Co., Ltd. (北京城建集團有限責任公司)	571,031,118.00	42.34			571,031,118.00	42.34
Beijing Infrastructure Investment Co., Ltd. (北京市基礎設施投資有限公司)	87,850,942.00	6.51			87,850,942.00	6.51
Beijing Chengtong Enterprise Management Center (General Partnership) (北京城通企業管理中心(普通合夥))	76,000,000.00	5.64			76,000,000.00	5.64
Beijing Jingguofa Equity Investment Fund (Limited Partnership) (北京京國發股權投資基金(有限合夥))	46,000,000.00	3.41			46,000,000.00	3.41
Beijing Jingguochuang Advantage Industry Fund (Limited Partnership) (北京京國創優勢產業基金(有限合夥))	46,000,000.00	3.41			46,000,000.00	3.41
Beijing MTR Construction Administration Corporation (北京市軌道交通建設管理有限公司)	43,925,470.00	3.26			43,925,470.00	3.26
Beijing Gonglian Highway Connect Line Co., Ltd. (北京市公聯公路聯絡線有限責任公司)	43,925,470.00	3.26			43,925,470.00	3.26
Beijing Shengda Xingye Real Estate Development Co., Ltd. (北京盛達興業房地產開發有限公司)	23,184,000.00	1.72			23,184,000.00	1.72
Beijing You Neng Shang Zhuo Venture Capital Fund (LLP) (北京優能尚卓創業投資基金(有限合夥))	22,816,000.00	1.69			22,816,000.00	1.69
Overseas listed foreign Shares (H Shares)	387,937,000.00	28.76			387,937,000.00	28.76
Total	1,348,670,000.00	—			1,348,670,000.00	—

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VII. DESCRIPTION OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 20. Revenue and segment information

1. Operating income and operating cost

Items	Amount incurred for the period		Amount incurred for the prior period	
	Revenue	Cost	Revenue	Cost
Design, survey and consultancy	1,993,527,098.04	1,418,164,792.76	2,017,527,149.35	1,413,311,250.34
Construction contracting	1,592,791,852.09	1,475,212,668.36	2,161,461,051.37	1,950,318,487.07
Total	3,586,318,950.13	2,893,377,461.12	4,178,988,200.72	3,363,629,737.41

2. Basis for determining the reporting segment and accounting policies

Based on the internal organizational structure, management requirements and internal reporting system, the Company's main business is divided into the following business systems: public projects construction, survey, design and consultancy business as the main body. Each of the Company's reporting segments offers different products or services or operates in different regions. As each segment requires different technology or market strategies, the Company's management manages the operating activities of each reporting segment separately and evaluates the operating results of these reporting segments on a regular basis to determine the allocation of resources to them and evaluate their performance.

The inter-segment transfer price is determined on the basis of the actual transaction price, and the expenses indirectly attributable to each segment are allocated among the segments in proportion to revenue. Assets are allocated according to the operation of the segment and the location of the assets, and segment liabilities include liabilities attributable to the segment arising from the segment's operating activities. If expenses related to liabilities shared by multiple operating segments are allocated to those operating segments, the shared liabilities are also allocated to those operating segments.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VII. DESCRIPTION OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 20. Revenue and segment information (continued)

3. Financial information of reportable segments

(1) Segments financial information for January to June 2025

Items	Projects construction	Survey, design and consultancy business	Offset	Total
1. Operating income	1,592,791,852.09	2,041,061,378.14	-47,534,280.10	3,586,318,950.13
Among them: income from external transactions	1,592,791,852.09	1,993,527,098.04	-	3,586,318,950.13
	-	47,534,280.10	-47,534,280.10	-
2. Investment income in associates and joint ventures	-	44,267,254.93		44,267,254.93
3. Asset impairment losses	8,674,444.10	67,159,687.12		75,834,131.22
4. Credit impairment losses	38,877,216.46	-20,555,676.16	-	18,321,540.30
5. Depreciation and amortization expenses	48,392,665.08	92,460,787.95	-	140,853,453.03
6. Total profits	81,179,964.77	212,245,240.63	-1,594,512.60	291,830,692.80
7. Income tax expense				52,442,034.56
8. Net profit				239,388,658.24
9. Total assets	10,898,319,082.13	12,766,041,943.49	-	23,664,361,025.62
10. Total liabilities	8,202,978,726.52	7,423,814,927.90	-	15,626,793,654.42

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VII. DESCRIPTION OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 20. Revenue and segment information (continued)

3. Financial information of reportable segments (continued)

(2) Segments financial information for January to June 2024

Items	Projects construction	Survey, design and consultancy business	Offset	Total
1. Operating income	2,161,461,051.37	2,020,385,655.84	-2,858,506.49	4,178,988,200.72
Among them: income from external transactions	2,161,461,051.37	2,017,527,149.35		4,178,988,200.72
Income from intersegment transactions		2,858,506.49	-2,858,506.49	
2. Investment income in associates and joint ventures		71,349,789.26		71,349,789.26
3. Asset impairment losses	6,165,192.18	46,291,159.52		52,456,351.70
4. Credit impairment losses	16,790,276.44	31,655,144.45		48,445,420.89
5. Depreciation and amortization expenses	48,478,128.04	99,893,616.10		148,371,744.14
6. Total profits	150,441,103.49	282,262,572.75	-1,594,512.60	431,109,163.64
7. Income tax expense				60,327,024.44
8. Net profit				370,782,139.20
9. Total assets	12,297,031,375.62	11,547,175,659.63		23,844,207,035.25
10. Total liabilities	9,200,601,791.17	6,893,357,621.61		16,093,959,412.78

Note 21. Selling expenses

Items	Amounts in the current period	Amounts in the prior period
Tender and bidding cost	2,242,928.24	2,301,399.83
Employee compensation	15,726,701.55	17,601,336.01
Travel expenses	1,253,400.94	741,525.12
Office expenses	2,867,359.21	2,670,485.29
Other	4,658,565.89	5,369,649.86
Total	26,748,955.83	28,684,396.11

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VII. DESCRIPTION OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 22. Administrative expenses

Items	Amounts in the current period	Amounts in the prior period
Employee compensation	129,781,506.83	128,940,951.68
Depreciation and amortization	33,940,054.48	34,294,222.43
Office expenses	15,260,381.84	15,605,116.45
Rental and property costs	14,915,529.28	13,295,713.72
Travel expenses	3,546,977.08	3,252,386.86
Intermediary service fee	8,190,860.77	13,138,276.11
Publicity expenses	612,541.18	955,248.31
Business entertainment expenses	569,113.42	1,047,360.76
Other	16,396,651.24	17,272,429.18
Total	223,213,616.12	227,801,705.50

As of 30 June 2025, the administrative expenses are RMB223,213,616.12, which consists of labor costs, depreciation and amortization, office expenses, etc.; the amount for the same period in 2024 was RMB227,801,705.50.

Note 23. Research and development expenditure

Items	Amounts in the current period	Amounts in the prior period
labour costs	107,590,102.65	93,768,003.11
Material consumption	10,660,468.01	30,677,444.35
Testing, inspection, and processing fees	4,982,690.53	11,642,039.30
Depreciation and amortization	5,820,512.77	1,973,459.64
Technical service fees and consulting fees	5,355,559.22	5,316,064.75
Other	7,486,829.76	4,263,585.51
Total	141,896,162.94	147,640,596.66

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VII. DESCRIPTION OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 24. Finance costs

Items	Amounts in the current period	Amounts in the prior period
Interest expense	119,793,954.23	141,444,083.62
Less: Interest income	180,977,713.87	197,657,604.64
Net exchange losses	888,228.86	2,267,542.27
Bank charges	4,995,062.95	2,864,452.17
Total	-55,300,467.83	-51,081,526.58

Note 25. Credit impairment losses

Items	Amounts in the current period	Amounts in the prior period
Bad debt losses	-18,321,540.30	-48,445,420.89
Total	-18,321,540.30	-48,445,420.89

Note 26. Asset impairment losses

Items	Amounts in the current period	Amounts in the prior period
Impairment loss on contract assets	-72,648,538.88	-52,842,067.47
Impairment loss on other non-current assets	-3,185,592.34	385,715.77
Total	-75,834,131.22	-52,456,351.70

Note 27. Income tax expense

Items	Amounts in the current period	Amounts in the prior period
Current income tax expenses	57,917,981.94	90,307,004.65
Deferred income tax expenses	-5,475,947.38	-29,979,980.21
Total	52,442,034.56	60,327,024.44

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VII. DESCRIPTION OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 28. Assets with restricted ownership and use rights

Items	Closing book value	Causes of limitation
Monetary funds	78,876,367.98	Deposit, restricted frozen funds, deposits at bank for letters of guarantee, etc.
Accounts receivable	686,009,222.98	For pledge to obtain bank borrowings with restricted ownership or use rights
Intangible asset	485,613,284.22	For pledge to obtain bank borrowings with restricted ownership or use rights
Other	5,149,458,937.34	For pledge to obtain bank borrowings with restricted ownership or use rights
Total	6,399,957,812.52	

Note 29. EBITDA

Items	Amounts in the current period
Net profit	239,388,658.24
Income tax expense	52,442,034.56
Depreciation of fixed assets	64,787,700.01
Depreciation of the right-of-use assets	33,137,107.89
Amortization of intangible assets	24,604,747.31
Amortization of long-term deferred expenses	18,323,897.82
Interest expenses	119,793,954.23
EBITDA	552,478,100.06

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VII. DESCRIPTION OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 30. Dividend

Items	Amounts in the current period	Amounts in the prior period
Dividend	145,251,759.00	232,514,718.00
Total	145,251,759.00	232,514,718.00

The Board of Directors does not recommend the payment of interim dividend for the six months ended 30 June 2025. The 2024 profit distribution plan is as follows: a cash dividend of RMB0.1077 (tax inclusive) per Share on the basis of 1,348,670,000 Shares as at 31 December 2024, which will result in approximately RMB145,251,759.00 of profit distributed in total.

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

(I) Related Party Transactions

The transaction prices between the Company and related parties are agreed prices between both parties, which are consistent with transaction prices with non-related parties.

- Subsidiaries under control relationship that have been included in the scope of the Company's consolidated financial statements have had their inter-company transactions and transactions between parent and subsidiary companies offset.*

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(I) Related Party Transactions (continued)

2. Continuing related party transactions and related party transactions

(1) Purchase of goods from related parties or receipt of services provided by related parties

Name of entity	Amounts in the current period	Amounts in the prior period
① Construction contracting services provided by the following companies	29,832,857.06	248,696,847.46
– Fellow subsidiaries	17,377,445.08	62,560,639.02
– Associates of BUCG	10,753,603.52	15,057,467.21
– Non-controlling shareholder	1,559,940.85	1,375,795.00
– Beneficial shareholder and its affiliates	141,867.61	169,811.32
– Associates	–	166,053,761.72
– BUCG	–	3,479,373.19
② Design, survey and consultancy services provided by the following companies	8,128,856.42	17,484,439.69
– Associates	6,900,355.63	264,150.94
– Fellow subsidiaries	1,118,227.48	1,861,663.50
– Beneficial shareholder and its affiliates	46,698.11	4,577,474.77
– Associates of BUCG	39,990.29	92,690.57
– A joint venture	23,584.91	
– BUCG	–	10,688,459.91

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(I) Related Party Transactions (continued)

2. Continuing related party transactions and related party transactions (continued)

(2) Sale of goods to related parties or provision of services to related parties

Name of entity	Amounts in the current period	Amounts in the prior period
① Provision of construction contracting services to the following companies	755,603,680.56	1,120,495,749.89
– Beneficial shareholder and its affiliates	618,285,000.12	482,208,758.46
– Associates	98,583,316.70	602,191,432.62
– BUCG	22,623,054.76	12,714,330.82
– Fellow subsidiaries	15,426,836.92	21,914,591.43
– Non-controlling shareholder	685,429.42	
– Associates of BUCG	42.64	
– A joint venture	–	1,466,636.56
② Provision of design, survey and consultancy services to the following companies	323,537,159.13	233,779,144.30
– Beneficial shareholder and its affiliates	282,369,099.97	192,579,939.84
– Fellow subsidiaries	30,993,184.99	17,454,171.08
– BUCG	5,026,645.38	7,935,777.71
– Associates of BUCG	3,709,347.37	8,379,410.36
– Associates	1,430,529.00	6,469,105.80
– Non-controlling shareholder	6,284.91	330,910.71
– A non-controlling shareholder	2,067.51	94,339.62
– A joint venture of BUCG	–	471,698.11
– A joint venture	–	63,791.07

(3) Interest expenses paid or payable to the following companies

Related party	Amounts in the current period	Amounts in the prior period
– A non-controlling shareholder	3,381,000.00	3,381,000.00
– BUCG	243,354.23	190,519.11
Total	3,624,354.23	3,571,519.11

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(I) Related Party Transactions (continued)

2. Continuing related party transactions and related party transactions (continued)

(4) Rental expenses and property management fees paid or payable to the following companies

Related party	Amounts in the current period	Amounts in the prior period
– Fellow subsidiaries	2,902,983.36	2,141,112.94
– Beneficial shareholder and its affiliates	1,870,506.27	3,384,243.87
– A joint venture	–	275,229.36
Total	4,773,489.63	5,800,586.17

(5) Rental income

Item	Amounts in the current period	Amounts in the prior period
– Associates	846,005.54	1,085,110.09
Total	846,005.54	1,085,110.09

(6) Key management personnel remuneration

Item	Amounts in the current period	Amounts in the prior period
Short-term employee benefits	2,179,664.70	2,912,920.70
Pension plan	518,994.45	733,595.20
Total	2,698,659.15	3,646,515.90

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(I) Related Party Transactions (continued)

2. Continuing related party transactions and related party transactions (continued)

(7) Employee shareholding

The Company issued domestic shares of the scheme to several executive Directors, non-executive Directors and key management personnel. The details of the employee shareholding scheme are as follows:

Item	Personnel	Number of shares held on 30 June 2025 (‘000)	Number of shares held on 30 June 2024 (‘000)	Notes
Executive Director				
	Mr. Xia Xiujiang (Chief Executive Officer)	1,000	620	Note 1
	Mr. Wang Hanjun		1000	Note 2
	Mr. Li Guoqing		1000	Note 3
	Total of executive Directors	1000	2620	
Non-executive Director	Mr. Li Guoqing	1,000		Note 3
Key management personnel				
	Mr. Jin Huai		750	Note 4
	Mr. Wang Liang	750	750	
	Mr. Yu Songwei	750	750	Note 5
	Mr. Xiao Mujun	750	750	Note 6
	Mr. Liu Li	750	750	
	Mr. Xuan Wenchang	750	750	
	Mr. Ma Haizhi	750	660	
	Mr. Xu Chengyong	750	660	
	Mr. Yin Zhiguo	620	620	Note 7
	Mr. Lu Weidong	750	550	
	Ms. Qian Jiahong	450	450	
	Mr. Yang Zhenyu	550	550	
	Ms. Yang Yongjie	750		Note 8
	Mr. Wang Chen	750		Note 9
	Ms. Shen Jia	750		Note 10
	Total of key management personnel	9,870	7,990	

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(I) Related Party Transactions (continued)

2. Continuing related party transactions and related party transactions (continued)

(7) Employee shareholding (Continued)

Note 1: Mr. Xia Xiujiang was appointed as the Chief Executive Director of the Company in October 2024.

Note 2: Mr. Wang Hanjun ceased to be the Chief Executive Director of the Company in October 2024.

Note 3: Mr. Li Guoqing was appointed as the non-executive Director of the Company in March 2024.

Note 4: Mr. Jin Huai ceased to be the key management personnel of the Company in January 2024.

Note 5: Mr. Yu Songwei ceased to be the key management personnel of the Company in January 2025.

Note 6: Mr. Xiao Mujun ceased to be the key management personnel of the Company in December 2024.

Note 7: Mr. Yin Zhiguo ceased to be the key management personnel of the Company in July 2024.

Note 8: Ms. Yang Yongjie was appointed as the key management personnel of the Company in December 2024.

Note 9: Mr. Wang Chen was appointed as the key management personnel of the Company in January 2024.

Note 10: Ms. Shen Jia was appointed as the key management personnel of the Company in January 2024.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(I) Related Party Transactions (continued)

3. Related Party Receivables and Payables

(1) Amounts Due from Related Parties of the Company

Item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts Receivable					
	Beneficial shareholders and their affiliates	717,491,848.47	165,624,165.34	592,335,916.77	160,714,662.58
	BUCG	194,258,192.97	21,708,772.69	208,892,369.50	20,570,325.38
	Associates	80,394,522.42	805,921.44	239,802,435.76	2,278,330.47
	Fellow subsidiaries	60,845,655.22	12,843,746.80	68,604,468.50	15,976,081.90
	Joint ventures	14,611,052.77	1,512,000.00	14,611,052.77	831,600.00
	Non-controlling shareholders	8,691,678.57	6,044,784.14	9,031,776.45	6,179,962.50
	Associates of BUCG	1,896,848.04	77,097.91	815,327.41	61,327.53
	A non-controlling shareholder	1,048,113.21	121,995.28	1,048,113.21	97,474.53
	A joint venture of BUCG	409,797.18	38,111.14	410,375.00	16,415.00
	Subtotal of accounts receivable	1,079,647,708.85	208,776,594.74	1,135,551,835.37	206,726,179.89
Other Receivables					
	Fellow subsidiaries	8,645,164.37	2,722.91	9,064,542.09	6,722.91
	BUCG	6,172,996.66	27,098.11	13,811,863.07	915.19
	Beneficial shareholders and their affiliates	1,000,000.00	86,500.00	1,322,500.00	110,500.00
	Associates	207,936.11	1,884.66	83,630.26	5,854.12
	Associates of BUCG	14,000.00	14,000.00	14,000.00	14,000.00
	Joint ventures	–	–	858,375.00	30,043.13
	Subtotal of other receivables	16,040,097.14	132,205.68	25,154,910.42	168,035.35
Non-current Assets					
Due Within One Year					
	Beneficial shareholders and their affiliates	800,000.00	4,000.00		
	A non-controlling shareholder	429,652.60	2,148.26		
	BUCG	50,000.00	250.00		
	Subtotal of non-current assets due within one year	1,279,652.60	6,398.26		
Contract Assets					
	Beneficial shareholders and their affiliates	871,904,474.90	37,819,800.23	326,146,819.19	23,941,376.63
	Fellow subsidiaries	49,422,835.95	4,774,845.55	45,030,960.70	3,807,347.79
	Associates	47,850,924.81	934,244.44	163,129,326.51	1,296,765.77
	BUCG	38,217,207.47	2,698,221.22	52,957,659.55	3,306,678.72
	Associates of BUCG	7,720,742.19	287,068.19	6,342,519.95	243,451.30
	A non-controlling shareholder	6,574,410.39	1,131,693.30	6,871,044.34	928,017.46
	Joint ventures	1,494,174.91	149,656.38	1,494,174.91	97,322.00
	A joint venture of BUCG	343,713.20	31,965.33	626,582.07	33,966.46
	Subtotal of contract assets	1,023,528,483.82	47,827,494.64	602,599,087.22	33,654,926.13

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(I) Related Party Transactions (continued)

3. Related Party Receivables and Payables (continued)

(2) Amounts Due to Related Parties of the Company

Item	Related party	Closing balance	Opening balance
Accounts Payable			
	Fellow subsidiaries	255,134,924.83	334,872,302.38
	Associates of BUCG	54,554,919.64	54,843,969.06
	BUCG	14,733,561.69	15,291,277.50
	A non-controlling shareholder	11,631,819.20	11,631,819.20
	A joint venture	11,283,111.01	11,259,526.10
	Non-controlling shareholders	1,762,733.16	
	Beneficial shareholders and their affiliates	927,763.68	3,538,719.10
	Associates	493,452.83	864,252.60
	Subtotal of accounts payable	350,522,286.04	432,301,865.94
Other Payables			
	Fellow subsidiaries	39,799,586.52	36,546,361.25
	BUCG	10,450,695.37	4,586,476.98
	A non-controlling shareholder	1,640,000.00	0.00
	Associates	1,003,084.48	6,892.00
	Associates of BUCG	714,026.57	700,000.00
	A joint venture	180.00	94,580.00
	Subtotal of other payables	53,607,572.94	41,934,310.23
Contract Liabilities			
	Beneficial shareholders and their affiliates	496,447,905.39	114,872,400.00
	Associates	28,785,451.90	981,157.83
	BUCG	15,733,568.97	18,357,083.82
	Fellow subsidiaries	14,096,320.47	17,202,731.11
	Non-controlling shareholders	11,080,620.12	
	Associates of BUCG	3,563,040.33	3,855,876.79
	A non-controlling shareholder	481,642.17	11,889,456.45
	A joint venture	211,768.75	211,768.75
	Subtotal of contract liabilities	570,400,318.10	167,370,474.75
Long-term Borrowings			
	A non-controlling shareholder	138,000,000.00	138,000,000.00
	BUCG	10,000,000.00	25,600,000.00
	Subtotal of long-term borrowings	148,000,000.00	163,600,000.00
Non-current Liabilities			
Due Within One Year			
(Long-term Borrowings)			
	BUCG	15,600,000.00	
	Subtotal of non-current liabilities due		
	within one year (long-term borrowings)	15,600,000.00	

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

IX. EXPLANATION OF CONTINGENCIES

(1) Contingent Liabilities

As at 30 June 2025, the Group had no contingent liabilities that required disclosure.

(2) Contingent Assets

As at 30 June 2025, the Group had no contingent assets that required disclosure.

X. POST-BALANCE SHEET DATE EVENTS

Up to the date of approval of this financial report, the Group had no post-balance sheet date events that should be disclosed but have not been disclosed.

XI. SUPPLEMENTARY INFORMATION

(1) Schedule of Non-recurring Profit or Loss for the Current Period

Item	Amount	Explanation
Gain or loss on disposal of non-current assets, including write-back of asset impairment provisions	1,521,751.26	
Government grants recognised in profit or loss for the current period, excluding government grants that are closely related to the Company's normal operating business, comply with national policy provisions, are enjoyed according to determined standards, and have a continuing impact on the Company's profit or loss	51,500.00	
Gains or losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises and gains or losses from disposal of financial assets and financial liabilities, excluding effective hedging business related to the Company's normal operating business	1,356,000.00	
Capital occupation fees charged to non-financial enterprises recognised in profit or loss for the current period		
Gains or losses from entrusting others to invest or manage assets		
Gains or losses from entrusted loans		
Asset losses caused by force majeure factors, such as natural disasters		
Reversal of impairment provisions for receivables tested for impairment individually		
Gains arising from the investment cost of acquiring subsidiaries, associates and joint ventures being less than the fair value of the identifiable net assets of the investee at the time of acquisition		
Current net profit or loss of subsidiaries from the beginning of the period to the merger date under common control business combinations		
Gains or losses from non-monetary asset exchanges		
Gains or losses from debt restructuring		
One-time expenses incurred by enterprises due to the discontinuation of related operating activities, such as expenses for employee resettlement		
One-time impact on current profit or loss due to adjustments in tax, accounting and other laws and regulations		

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

XI. SUPPLEMENTARY INFORMATION (CONTINUED)

(1) Schedule of Non-recurring Profit or Loss for the Current Period (continued)

Item	Amount	Explanation
Share-based payment expenses recognised on a one-time basis due to cancellation or modification of equity incentive plans		
For cash-settled share-based payments, gains or losses arising from changes in the fair value of employee compensation payable after the vesting date		
Gains or losses from changes in fair value of investment properties subsequently measured using the fair value model		
Gains from transactions with obviously unfair transaction prices		
Gains or losses from contingencies unrelated to the Company's normal operating business		
Trusteeship fee income from entrusted operations		
Other non-operating income and expenses other than the above items	-4,900,179.39	
Other profit or loss items that meet the definition of non-recurring profit or loss	81,673.87	
Subtotal	-1,889,254.26	
Less: Income tax impact	-131,762.34	
Less: Impact on minority shareholders' interests (after tax)	88,262.99	
Net non-recurring profit or loss attributable to owners of the parent company	-1,845,754.91	
Net profit attributable to owners of the parent company	232,253,637.11	
Total net profit attributable to owners of the parent company after deducting non-recurring profit or loss	234,099,392.02	

(2) Earnings Per Share

Item	Amounts in the current period	Amounts in the prior period
Net profit attributable to ordinary shareholders of the Company	239,388,658.24	370,785,376.73
Weighted average number of ordinary shares outstanding during the period	1,348,670,000.00	1,348,670,000.00
Earnings per share	0.18	0.27
Diluted earnings per share	0.18	0.27

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

XII. FIRST-TIME ADOPTION ADJUSTMENTS FOR CONVERSION FROM HONG KONG FINANCIAL REPORTING STANDARDS TO CHINA ACCOUNTING STANDARDS

Since the Group will adopt China Accounting Standards for Business Enterprises for the preparation of financial accounting reports starting from the annual report for the year ended 31 December 2025 and this interim financial accounting report has been prepared in accordance with China Accounting Standards for Business Enterprises, the adjustment matters for differences arising from the conversion from Hong Kong Financial Reporting Standards to China Accounting Standards for Business Enterprises on the First Application Date are as follows:

First, impact of safety production expenses provision: According to the PRC Measures for the Extraction and Use of Enterprise Safety Expenses (Caizi No. 136) 《企業安全費用提取和使用管理辦法》(財資[2022]136 號) and Interpretation No. 3 of Accounting Standards for Business Enterprises 《企業會計準則解釋第 3 號》, enterprises directly engaged in construction engineering within the People's Republic of China shall include safety production expenses extracted according to prescribed standards in the cost of related products or current profit or loss, while recording them in the "special reserve" account. Under International Financial Reporting Standards, safety production expenses are extracted through after-tax profit distribution, reducing undistributed profit upon extraction, with actual usage charged to current profit or loss. In the consolidated statement of changes in equity contained in the 2024 interim report published by the Group on 29 August 2024, the amount transferred back to net profit from safety reserve for the six months ended 30 June 2024 was RMB6,319,945.87, with other differences being tail adjustments from converting amounts to thousands of yuan. The amount transferred back to net profit from safety reserve for January to June 2025 was RMB4,217,125.14.

Second, impact of aggregation of business taxes and surcharges: China Accounting Standards for Business Enterprises requires that taxes related to production and operation be separately presented in the "business taxes and surcharges" line item. Under International Financial Reporting Standards, such taxes are not separately presented but are used to offset "operating revenue" or reclassified to "administrative expenses". In the revenue contained in the 2024 interim report published by the Group on 29 August 2024, "business taxes and surcharges" offsetting operating revenue amounted to RMB-514,999.25, with other differences being tail adjustments from converting amounts to thousands of yuan. "Business taxes and surcharges" offsetting operating revenue for January to June 2025 amounted to RMB9,916,569.75.

Therefore, the above adjustments involved in the conversion of accounting standards do not affect the Group's net assets.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

January to June 2025

(Unless otherwise stated, all amounts are denominated in RMB)

XII. FIRST-TIME ADOPTION ADJUSTMENTS FOR CONVERSION FROM HONG KONG FINANCIAL REPORTING STANDARDS TO CHINA ACCOUNTING STANDARDS (CONTINUED)

The adjustment amounts for differences in comparative statement revenue, net profit and net assets arising from the conversion from Hong Kong Financial Reporting Standards to China Accounting Standards for Business Enterprises are as follows:

1. Current Period Amounts

	Jan-Jun 2025 Revenue	Jan-Jun 2025 Net profit	Jan-Jun 2025 Net assets
In accordance with Hong Kong Financial Reporting Standards	3,576,402,380.38	243,605,783.38	8,037,567,371.20
Items and amounts adjusted in accordance with China Accounting Standards for Business Enterprises: Operating costs		-4,217,125.14	
Items and amounts adjusted in accordance with China Accounting Standards for Business Enterprises: Taxes and surcharges	9,916,569.75		
In accordance with China Accounting Standards for Business Enterprises	3,586,318,950.13	239,388,658.24	8,037,567,371.20

2. Prior Period Amounts

	Jan-Jun 2024 Revenue	Jan-Jun 2024 Net profit	Jan-Jun 2024 Net assets
In accordance with Hong Kong Financial Reporting Standards	4,179,503,199.97	377,105,322.60	7,750,246,850.00
Items and amounts adjusted in accordance with China Accounting Standards for Business Enterprises: Operating costs		-6,319,945.87	
Items and amounts adjusted in accordance with China Accounting Standards for Business Enterprises: Taxes and surcharges	-514,999.25		
In accordance with China Accounting Standards for Business Enterprises	4,178,988,200.72	370,785,376.73	7,750,246,850.00