Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement and the listing document attached hereto have been published for information purposes only as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and do not constitute an invitation or offer to acquire, purchase or subscribe for securities. Neither this announcement nor anything referred to herein (including the listing document attached hereto) forms the basis for any contract or commitment whatsoever. *For the avoidance of doubt, the publication of this announcement and the listing document attached hereto shall not be deemed to be an offer of securities made pursuant to a prospectus issued by or on behalf of the Issuer (as defined below) for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) nor shall it constitute an advertisement, invitation or document containing an invitation to the public to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite securities for the purposes of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).*

*This announcement and the listing document attached hereto do not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and shall not be offered or sold within the United States or to, or for the account or benefit of U.S. Persons (as defined in Regulation S under the Securities Act and includes any person that is a U.S. person as defined in Executive Order 13959 (as amended by Executive Order 14032 or from time to time and together, the "**Executive Order**") or the Chinese Military-Industrial Complex Sanctions Regulations (31 CFR Part 586) (the "**CMIC Sanctions Regulations**"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and such transaction is not prohibited by the Executive Order or the CMIC Sanctions Regulations. Accordingly, the securities are being offered and sold only outside the United States to non-U.S. Persons in an offshore transaction in compliance with Regulation S under the Securities Act.*

Notice to Hong Kong investors: *Each of the Issuer and the Guarantor (as defined below) confirms that the Securities (as defined below) are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and have been listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, each of the Issuer and the Guarantor confirms that the Securities are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.*

PUBLICATION OF OFFERING CIRCULAR

CCCI Treasure Limited

(incorporated with limited liability in the British Virgin Islands)

(the "**Issuer**")

CNY3,350,000,000 1.90 per cent. Subordinated Guaranteed Sustainable Perpetual Securities

(Stock Code: 85503)

(the "**Securities**")

unconditionally and irrevocably guaranteed by

中國交通建設股份有限公司

CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED

(incorporated with limited liability in the People's Republic of China)

(Stock Code: 1800)

(the "Guarantor")

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

Huatai International	**ICBC International**	**Guotai Junan International**
ABC International	**China Securities International**	**Haitong International**

Joint Lead Managers and Joint Bookrunners

CITIC Securities	**China International Capital Corporation**	**CCB International**
DBS Bank Ltd.	**CMB International**	**China CITIC Bank**

Sole Sustainability Advisor

Huatai International

This announcement is issued pursuant to Rule 37.39A of the Listing Rules.

Please refer to the offering circular relating to the Securities dated 22 October 2026 (the "**Offering Circular**") appended herein. The Offering Circular is published in English only. No Chinese version of the Offering Circular has been published. As disclosed in the Offering Circular, the Securities are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and have been listed on The Stock Exchange of Hong Kong Limited on that basis.

The Offering Circular does not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it circulated to invite offers by the public to subscribe for or purchase any securities.

Beijing, the PRC
30 October 2026

As at the date of this announcement, the sole director of the Issuer is ZHOU Yihua.

As at the date of this announcement, the directors of the Guarantor are SONG Hailiang, ZHANG Bingnan, LIU Xiang, GAO Chunlei, WU Aihong, CHAN Wing Tak Kevin#, WANG Qingqin#, LIU Ruchen# and YANG Xiangyang.

\# *Independent non-executive director*

APPENDIX

OFFERING CIRCULAR DATED 22 OCTOBER 2026

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES OR TO ANY U.S. PERSONS

UNLESS OTHERWISE SPECIFIED, REFERENCES TO "REGULATION S U.S. PERSONS" IN THIS DOCUMENT SHALL INCLUDE ANY PERSON THAT IS A "U.S. PERSON" AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). UNLESS OTHERWISE SPECIFIED, REFERENCES TO "CMIC U.S. PERSONS" IN THIS DOCUMENT SHALL INCLUDE ANY PERSON THAT IS A "UNITED STATES PERSON" UNDER EXECUTIVE ORDER 13959 (AS AMENDED BY EXECUTIVE ORDER 14032 OR FROM TIME TO TIME AND TOGETHER, THE "EXECUTIVE ORDER") OR THE CHINESE MILITARY-INDUSTRIAL COMPLEX SANCTIONS REGULATIONS (31 CFR PART 586) (THE "CMIC SANCTIONS REGULATION"). REFERENCES TO "NON-U.S. PERSON" MEANS ANY PERSON OTHER THAN A U.S. PERSON.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to this offering circular following this page (the "**Offering Circular**"). You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information as a result of such access.

Restrictions: The Offering Circular is being furnished in connection with an offering in offshore transactions to persons outside the United States in compliance with Regulation S under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein. Only persons to whom the Offering Circular may lawfully be distributed in accordance with Regulation S and other applicable laws are eligible to receive the Offering Circular. **Recipients are responsible for compliance with applicable U.S. sanctions laws, including Executive Order 13959, as amended, and the CMIC Sanctions Regulations.**

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES (AS DEFINED IN THE OFFERING CIRCULAR) AND THE GUARANTEE THEREOF HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, REGULATION S U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. IN ADDITION, THE SECURITIES MAY NOT BE PURCHASED OR SOLD BY A CMIC U.S. PERSON TO THE EXTENT PROHIBITED BY THE EXECUTIVE ORDER OR THE CMIC SANCTIONS REGULATIONS. THIS OFFERING IS MADE SOLELY TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT. EACH PROSPECTIVE INVESTOR IS RESPONSIBLE FOR DETERMINING WHETHER ITS ACQUISITION, HOLDING, OR DISPOSITION OF THE SECURITIES IS PERMITTED UNDER THE EXECUTIVE ORDER, THE CMIC SANCTIONS REGULATIONS, AND OTHER APPLICABLE LAW.

THE ATTACHED OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY ADDRESS IN THE UNITED STATES OR TO ANY U.S. PERSONS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of Your Representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the Securities, investors must not be located in the United States. The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to CCCI Treasure Limited (the "**Issuer**"), China Communications Construction Company Limited 中國交通建設股份有限公司 (the "**Guarantor**" or the "**Company**") and Huatai Financial Holdings (Hong Kong) Limited, ICBC International Securities Limited, Guotai Junan Securities (Hong Kong) Limited, ABCI Capital Limited, China Securities (International) Corporate Finance Company Limited, Haitong International Securities Company Limited, CLSA Limited, China International Capital Corporation Hong Kong Securities Limited, CCB International Capital Limited, DBS Bank Ltd., CMB International Capital Limited, CNCB (Hong Kong) Capital Limited and China CITIC Bank International Limited (the "**Joint Lead Managers**") that (1) you are outside the United States and are not a Regulation S U.S. Person; (2) you are not engaging any Joint Lead Manager to enter into any transaction for or on behalf of a Regulation S U.S. Person; (3) you and any customers you represent are persons outside the United States to whom the Securities may be offered and sold in an offshore transaction in accordance with Regulation S; (4) your acquisition, holding and disposition of the Securities, and any transaction entered into by a Joint Lead Manager or any of its subsidiaries or affiliates with you or any customer you represent in connection with the Offering Circular or the Securities, will not violate the Executive Order, the CMIC Sanctions Regulations or other applicable sanctions laws; (5) the electronic email address that you gave us and to which this e-mail has been delivered is not located in the United States, and (6) you consent to delivery of such Offering Circular and any amendments or supplements thereto by electronic transmission.

The Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuer, the Guarantor, the Joint Lead Managers, the Trustee, the Agents nor any of their affiliates, directors, officers, employees, representatives, agents nor any person who controls any of them accepts any liability or responsibility whatsoever in respect of any such alteration or change to the Offering Circular distributed to you in electronic format or any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers.

Restrictions: Nothing in this electronic transmission constitutes, and may not be used in connection with, an offer or an invitation by or on behalf of any of the Issuer, the Guarantor or the Joint Lead Managers to subscribe for or purchase any of the securities described therein, in any place where offers or solicitations are not permitted by law and access has been limited so that it shall not constitute directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Joint Lead Manager or any affiliate of a Joint Lead Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Joint Lead Manager or such affiliate on behalf of the Issuer and the Guarantor in such jurisdiction.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular electronically or otherwise, to any other person.

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the "SFA") – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by laws.

If you receive the Offering Circular by e-mail, you should not reply by e-mail to the Offering Circular, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

CCCI TREASURE LIMITED

(incorporated in British Virgin Islands with limited liability)

CNY3,350,000,000 1.90 per cent. Subordinated Guaranteed Sustainable Perpetual Securities
Issue Price: 100.00 per cent.
unconditionally and irrevocably guaranteed by

中國交通建設股份有限公司
CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED

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

The 1.90 per cent. subordinated guaranteed sustainable perpetual securities in the aggregate principal amount of CNY3,350,000,000 (the "**Securities**") will be issued by CCCI Treasure Limited (the "**Issuer**") and will be unconditionally and irrevocably guaranteed (the "**Guarantee of the Securities**") by China Communications Construction Company Limited 中國交通建設股份有限公司 (the "**Guarantor**"). The Guarantor is a joint stock limited company incorporated in the People's Republic of China with limited liability and is listed on both the main board of the Shanghai Stock Exchange (Stock Code: 601800 SS) and the main board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") (Stock Code: 1800 HK).

The Securities confer a right to receive distributions (each, a "**Distribution**") for the period from and including 29 October 2026 (the "**Issue Date**") at the applicable rate described below (the "**Distribution Rate**") subject to the provisions of the Securities relating to deferral of Distribution (see *"Terms and Conditions of the Securities – Distribution – Distribution Deferral"*). Distributions shall be payable semi-annually in arrear in equal instalments on 29 April and 29 October of each year (each, a "**Distribution Payment Date**") commencing on 29 April 2027.

Upon the occurrence of a Change of Control Event, a Breach of Covenant Event or a Relevant Indebtedness Default Event (each as defined in the Terms and Conditions of the Securities (the "**Terms and Conditions**") and each a "**Step-Up Event**"), unless (x) an irrevocable notice in writing to redeem the Securities has been given by the Issuer to Holders of the Securities, the Trustee and the CMU Lodging and Paying Agent by the 30th day following the occurrence of the relevant Step-Up Event, or (y) the relevant Step-Up Event is remedied by the 30th day following the occurrence of such relevant Step-Up Event, the Distribution Rate of the Securities will be increased by 3.00 per cent. per annum with effect from (a) the next Distribution Payment Date immediately following the occurrence of the relevant Step-Up Event or (b) if the date on which the relevant Step-Up Event (as applicable) occurs is prior to the most recent preceding Distribution Payment Date, such Distribution Payment Date, **provided that** the maximum aggregate increase in the Distribution Rate of the Securities shall be 3.00 per cent. per annum and the Distribution Rate of the Securities shall not exceed the Maximum Distribution Rate of the Securities. See *"Terms and Conditions of the Securities – Distribution – Increase in Distribution Rate following occurrence of certain events – Increase in Distribution Rate"*. If following an increase in the Distribution Rate of the Securities after a Step-Up Event, such Step-Up Event is cured or no longer exists, upon written notice of such facts being given to the Holders of the Securities, the Trustee and the CMU Lodging and Paying Agent, the Distribution Rate of the Securities shall be decreased by 3.00 per cent. per annum with effect from (and including) the Distribution Payment Date immediately following the date falling 30 days after the date on which the Trustee receives notice of such Step-Up Event being cured or no longer existing **provided that** the maximum aggregate decrease in the Distribution Rate of the Securities shall be 3.00 per cent. per annum, as further described in *"Terms and Conditions of the Securities – Distribution – Increase in Distribution Rate following occurrence of certain events – Decrease in Distribution Rate"*.

Unless previously redeemed in accordance with the terms of the Securities, Distributions (i) from, and including, the Issue Date to, but excluding, 29 October 2029 (the "**First Reset Date**") shall accrue on the outstanding principal amount of the Securities at a rate of 1.90 per cent. per annum, and (ii) from, and including, the First Reset Date, to but excluding, the Reset Date falling immediately after the First Reset Date, and from, and including, each Reset Date falling after the First Reset Date to, but excluding, the immediately following Reset Date, shall accrue on the outstanding principal amount of the Securities at the Relevant Reset Distribution Rate (except as otherwise expressly provided, capitalised terms used herein shall have the meaning ascribed thereto in the Terms and Conditions).

The Issuer may, at its sole discretion elect to defer, in whole or in part, any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice to the Holders, the Trustee and the CMU Lodging and Paying Agent in writing not less than seven business days prior to the relevant Distribution Payment Date. Any Distribution so deferred shall constitute Arrears of Distribution. Each amount of Arrears of Distribution shall accrue distribution as if it constituted the principal of the Securities at the prevailing Distribution Rate and the amount of such distribution (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as described in *"Terms and Conditions of the Securities – Distribution – Distribution Deferral – Cumulative Deferral"*. The Issuer may further defer any Arrears of Distribution by complying with the foregoing notice requirements. The Issuer is not subject to any limit as to the number of times any Distributions and Arrears of Distribution may be deferred. See *"Terms and Conditions of the Securities – Distribution – Distribution Deferral – Cumulative Deferral"*.

Unless the Payment Condition (as defined in the Terms and Conditions) has been fully satisfied or the Issuer or the Guarantor is otherwise permitted to do so by an Extraordinary Resolution of the Holders, the restrictions as described in *"Terms and Conditions of the Securities – Distribution – Distribution Deferral – Restrictions in the case of Deferral"* shall apply.

The Securities constitute direct, unconditional, (subject to Condition 3(a) of the Terms and Conditions) unsecured and subordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and with any Parity Securities (as defined in the Terms and Conditions) of the Issuer. The rights and claims of the Holders in respect of the Securities are subordinated as provided in Condition 1 of the Terms and Conditions.

The Guarantee of the Securities constitutes a direct, general, unconditional, (subject to Condition 3(a) of the Terms and Conditions) unsecured and subordinated obligation of the Guarantor which will at all times rank at least *pari passu* with any Parity Securities of the Guarantor. The rights and claims of the Holders in respect of the Guarantee of the Securities are subordinated as provided in Condition 1 of the Terms and Conditions.

The Guarantor shall (i) submit to register or cause the Deed of Guarantee (as defined in the Terms and Conditions) to be submitted for registration with the State Administration of Foreign Exchange of the PRC or its local counterparts ("**SAFE**") within the prescribed timeframe, in accordance with the Provisions on the Administration of Foreign Exchange of Cross-border Guarantee (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 and the Guidelines for Implementing the Provisions on the Administration of Foreign Exchange of Cross-border Guarantee (跨境擔保外匯管理操作指引) promulgated by SAFE on 12 May 2014 (the "**SAFE Registration**"); (ii) use its commercially reasonable endeavours to complete the SAFE Registration on or before the Registration Deadline (as defined in the Terms and Conditions) and (iii) ensure that the SAFE Registration remains in full force and effect for so long as the Securities remain outstanding.

Pursuant to the Administrative Measures for the Review and Registration of Medium and Long-Term Foreign Debt of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第 56號)) (the "**NDRC Administrative Measures**") issued by the National Development and Reform Commission of the PRC (the "**NDRC**") which came into effect on 10 February 2023 and any implementation rules, reports, certificates, approvals or guidelines as issued by the NDRC from time to time, the Guarantor has registered the issuance of the Securities with the NDRC in accordance with the NDRC Administrative Measures and obtained the "Enterprise Foreign Debt Pre-Issuance Registration Certificate (企業借用外債審核登記證明)" issued by NDRC in accordance with the NDRC Administrative Measures dated 31 July 2026 (the "**NDRC Pre-Issuance Registration Certificate**"), evidencing such registration which remains valid and in full force and effect. The Guarantor shall within the relevant prescribed timeframes after the Issue Date, file or cause to be filed with the NDRC requisite information and documents in respect of the Securities in accordance with the NDRC Administrative Measures and any implementation rules, reports, certificates, approvals or guidelines as issued by the NDRC from time to time, including but not limited to, the filing with the NDRC the requisite information and documents in respect of the issue of the Securities within 10 PRC Business Days after the Issue Date (the "**NDRC Post-Issue Filing**").

Payments on the Securities will be made free and clear of, and without withholding or deduction for or on account of, any present or future Taxes (as defined in the Terms and Conditions) of the PRC, British Virgin Islands, any jurisdiction in which the Issuer and the Guarantor respectively is incorporated or any jurisdiction of residence for tax purposes of the Issuer and the Guarantor respectively (each, a "**Relevant Jurisdiction**") to the extent described in *"Terms and Conditions of the Securities-Taxation"*.

The Securities are perpetual securities in respect of which there is no fixed redemption date. The Issuer may redeem all, but not some, of the Securities on (and including) 29 July 2029 (being the date that falls three months prior to the First Reset Date) up to (and including) the First Reset Date or on any Distribution Payment Date after the First Reset Date at their principal amount (together with any Distribution accrued to the date fixed for redemption (including, with respect to the Securities, any Arrears of Distribution and any Additional Distribution Amount)). The Securities may also be redeemed at the option of the Issuer in whole, but not in part, in the manner as specified in *"Terms and Conditions of the Securities – Redemption and Purchase"* upon the occurrence of (a) certain changes affecting taxes of any Relevant Jurisdiction, (b) any change or amendment to, or a change or amendment to any interpretation of, the Relevant Accounting Standards such that the Securities in whole or in part must not or must no longer be recorded as "equity" of the Guarantor or CCCC International Holding Limited, as the case may be, pursuant to the Relevant Accounting Standards, (c) a Change of Control Event, (d) a Breach of Covenant Event, (e) a Relevant Indebtedness Default Event, or (f) at least 90 per cent. in principal amount of the Securities originally issued having been redeemed or purchased and cancelled prior to the date fixed for redemption. See *"Terms and Conditions of the Securities – Redemption and Purchase"*.

PRIIPs Regulation – Prohibition of sales to EEA retail investors – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK CCI REGULATIONS – PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Securities are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Securities or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the "SFA") – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Securities on the Hong Kong Stock Exchange by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only and it is expected that the listing of, and permission to deal in, the Securities on the Hong Kong Stock Exchange will commence on 30 October 2026. This Offering Circular is for distribution to Professional Investors only.

Notice to Hong Kong Investors: The Issuer and the Guarantor confirm that the Securities are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer and the Guarantor confirm that the Securities are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Offering Circular to Professional Investors only have been reproduced in this Offering Circular. Listing of the Securities on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Securities or the Issuer, the Guarantor or the Group or quality of disclosure in this Offering Circular. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

Investing in the Securities involves risks. See *"Risk Factors"* beginning on page 24 for a description of certain factors to be considered in connection with an investment in the Securities.

The Securities and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, Regulation S U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In addition, the Securities may not be purchased or sold by a CMIC U.S. Person to the extent such transaction would be prohibited by Executive Order 13959 (as amended by Executive Order 14032 or from time to time and together, the "Executive Order") or the Chinese Military-Industrial Complex Sanctions Regulations (31 CFR Part 586) (the "CMIC Sanctions Regulation"). Accordingly, the Securities and the Guarantee are being offered and sold only outside the United States to Non-U.S. Persons. Unless otherwise specified, references to "U.S. Persons" in this Offering Circular shall include any person that is a U.S. Person as defined in Regulation S under the Securities Act and any person that is a U.S. Person as defined in the Executive Order or the CMIC Sanctions Regulation. References to "Non-U.S. Person" means any person other than a U.S. Person. For a description of these and certain restrictions on offers and sales of the Securities and the Guarantee and the distribution of this Offering Circular, see "*Subscription and Sale*" below.

The Securities will be represented by beneficial interests in a global certificate (a "**Global Certificate**") in registered form which will be registered in the name of, and lodged with a sub-custodian for, the Hong Kong Monetary Authority ("**HKMA**") as operator (the "**Operator**") of the Central Moneymarkets Units Service (the "**CMU**"), the book-entry clearing system operated by the HKMA, on or about the Issue Date. For persons seeking to hold a beneficial interest in the Securities through Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**", together with Euroclear and CMU, the "**Clearing Systems**", each a "**Clearing System**"), such persons will hold their interests through an account opened and held by Euroclear or Clearstream (as the case may be) with the CMU. Beneficial interests in each Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by the CMU. Except as described herein, certificates for the Securities will not be issued in exchange for interests in the Global Certificate of the Securities.

The Securities are expected to be rated "Baa2" by Moody's Investors Service, Inc. ("**Moody's**"). The credit ratings accorded to the Securities are not a recommendation to purchase, hold or sell the Securities in as much as such ratings do not comment as to market price or suitability for a particular investor. There can be no assurance that the ratings will remain in effect for a given period or that the ratings will not be revised by the rating agencies in the future.

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

Huatai International | **ICBC International** | **Guotai Junan International**

ABC International | **China Securities International** | **Haitong International**

Joint Lead Managers and Joint Bookrunners

CITIC Securities | **China International Capital Corporation** | **CCB International**

DBS Bank Ltd. | **CMB International** | **China CITIC Bank**

Sole Sustainability Advisor

Huatai International

Offering Circular dated 22 October 2026.

IMPORTANT NOTICE

Each of the Issuer and the Guarantor, having made all reasonable enquiries, accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms that to the best of its knowledge and belief (i) this Offering Circular contains all information with respect to the Issuer, the Guarantor and the Guarantor's subsidiaries taken as a whole (collectively, the "**Group**"), the Securities and the Guarantee of the Securities which is material in the context of the issue and offering of the Securities (including all information which, according to the particular nature of the Issuer, the Guarantor, the Group, the Securities and the Guarantee of the Securities, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Guarantor, the Group and of the rights attaching to the Securities and the Guarantee of the Securities), (ii) this Offering Circular does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (iii) the statements of facts contained in this Offering Circular relating to the Issuer, the Guarantor, the Group, the Securities and the Guarantee of the Securities are in all material respects true and accurate and not misleading, (iv) the statements of intention, opinions, belief or expectation relating to the Issuer, the Guarantor and the Group expressed in this Offering Circular are honestly and reasonably made or held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, (v) there are no other material facts relating to the Issuer, the Guarantor, the Group, the Securities and the Guarantee of the Securities, the omission of which would, in the context of the issue and offering of the Securities and the giving of the Guarantee of the Securities, make any statement in this Offering Circular, in light of the circumstances under which they were made, misleading, and (vi) all reasonable enquiries have been made by the Issuer and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements.

This Offering Circular has been prepared by the Issuer and the Guarantor solely for use in connection with the proposed offering of the Securities described in this Offering Circular. The distribution of this Offering Circular and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee and the Agents (as defined in the *"Terms and Conditions of the Securities"*) to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Securities, the giving of the Guarantee of the Securities or the possession or distribution of this Offering Circular or any offering or publicity material relating to the Securities in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Securities, the Guarantor giving the Guarantee of the Securities and the circulation of documents relating thereto, in certain jurisdictions and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Securities and the distribution of this Offering Circular, see *"Subscription and Sale"*. This Offering Circular is personal to each offeree and does not constitute an offer of, or an invitation to purchase, any of the Securities in any jurisdiction in which such offer or invitation would be unlawful. By purchasing the Securities, investors represent and agree to all of those provisions contained in that section of this Offering Circular. Distribution of this Offering Circular to any other person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised. Each prospective investor, by accepting delivery of this Offering Circular, agrees to the foregoing and to make no photocopies of this Offering Circular or any documents referred to in this Offering Circular.

No person has been or is authorised in connection with the issue, offer or sale of the Securities to give any information or to make any representation concerning the Issuer, the Guarantor, the Group, the Securities or the Guarantee of the Securities other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Group, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Securities shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Guarantor or the Group, or any of them since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates to subscribe for or purchase, any of the Securities and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

This Offering Circular is being furnished by the Issuer and the Guarantor in connection with the offering of the Securities exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider purchasing the Securities. Investors must not use this Offering Circular for any other purpose, make copies of any part of this Offering Circular or give a copy of it to any other person, or disclose any information in this Offering Circular to any other person. The information contained in this Offering Circular has been provided by the Guarantor and other sources identified in this Offering Circular. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Securities offered by this Offering Circular is prohibited. Each offeree of the Securities, by accepting delivery of this Offering Circular, agrees to the foregoing. **Only persons to whom this Offering Circular may lawfully be distributed in accordance with Regulation S and other applicable laws are eligible to receive it. Recipients of this Offering Circular are reminded to ensure that they are not engaging in a prohibited transaction under the Executive Order and associated subsequent guidance or the CMIC Sanctions Regulation. Each offeree of the Securities, by accepting delivery of this Offering Circular, agrees to the foregoing and is deemed to have represented to the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or their respective affiliates, directors, officers, employees, representatives and agents that (i) such offeree and any customers it represents are not (a) a U.S. Person as defined in the Executive Order or the CMIC Sanctions Regulation as any "United States citizen, permanent resident alien, entity organised under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States", or a U.S. Person as defined in the Securities Act or (b) engaging the Joint Lead Managers, the Trustee or any Agent to enter into any transactions for or on behalf of any Regulation S U.S. Person and (ii) the acquisition, holding and disposition of the Securities by such offeree and any customer it represents, and each transaction that any Joint Lead Manager or any of its subsidiaries/affiliates enters into with such offeree or any customer it represents, any of their respective subsidiaries/affiliates, any of their respective parent companies or any of their subsidiaries/affiliates which relates to this Offering Circular or any Security, will not violate the Executive Order or the CMIC Sanctions Regulations.**

No representation or warranty, express or implied, is made or given by the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents or affiliates as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular or any other information supplied in connection with the Securities, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents or affiliates. The Joint Lead Managers, the Trustee and the Agents and their respective directors, officers, employees, agents and affiliates have not independently verified any of the information contained in this Offering Circular and can give no assurance that this information is accurate, truthful or complete.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee, the Agents or any of their respective directors, officers, employees, agents or affiliates accepts any responsibility for the contents of this Offering Circular or any statement made or purported to be made by any such person or on its behalf in connection with the Issuer, the Guarantor, the Group, the issue and offering of the Securities or the giving of the Guarantee of the Securities. Each of the Joint Lead Managers, the Trustee, the Agents and their respective directors, officers, employees, agents and affiliates accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement. None of the Joint Lead Managers, the Trustee, the Agents or any of their respective directors, officers, employees, agents or affiliates undertakes to review the financial condition or affairs of the Issuer, the Guarantor or the Group for so long as any Securities remain outstanding nor to advise any investor or potential investor of the Securities of any information coming to the attention of any of the Joint Lead Managers, the Trustee, the Agents or their respective directors, officers, employees, agents or affiliates.

This Offering Circular is not intended to provide the basis of any credit or other evaluation, nor should it be considered as a recommendation by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents that any recipient of this Offering Circular should purchase the Securities. Each potential purchaser of the Securities should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Securities should be based upon such investigations with its own tax, legal and business advisers as it deems necessary.

PRIIPs Regulation – Prohibition of sales to EEA – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK CCI REGULATIONS – PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Securities are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Securities or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") for the purpose of giving information with regard to the Issuer, the Guarantor and the Group. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this Offering Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, investors should consult his or her adviser.

The Issuer and the Guarantor are making the offering in reliance upon exemptions from the registration requirements of the Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering. For a further description of certain restrictions on the offering and sale of the Securities, see *"Subscription and Sale"*.

IN CONNECTION WITH THE ISSUE OF THE SECURITIES, ANY OF THE JOINT LEAD MANAGERS ACTING AS THE STABILISATION MANAGER(S) (PROVIDED THAT CHINA CITIC BANK INTERNATIONAL LIMITED SHALL NOT ACT AS THE STABILISATION MANAGER) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) MAY OVER-ALLOT SECURITIES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE SECURITIES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE SECURITIES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE SECURITIES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE SECURITIES. ANY STABILISATION ACTION OR OVERALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Listing of the Securities on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Guarantor or the Securities. In making an investment decision, investors must rely on their own examination of the Issuer, the Guarantor and the Group and the terms of the offering of the Securities, including the merits and risks involved. See *"Risk Factors"* for a discussion of certain factors to be considered in connection with an investment in the Securities. The Issuer, the Guarantor, the Group, the Joint Lead Managers, the Trustee and the Agents and their respective directors, officers, employees, agents and affiliates are not making any representation to any purchaser of Securities regarding the legality of any investment in the Securities by such purchaser under any legal investment or similar laws or regulations. The contents of this Offering Circular should not be construed as providing legal, business, accounting or investment advice. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents or affiliates in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of the Issuer, the Guarantor, the Group and the merit and risks involved in investing in the Securities. See *"Risk Factors"* for a discussion of certain factors to be considered in connection with an investment in the Securities.

Market data and certain industry forecasts and statistics in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although the Issuer and the Guarantor believe this information to be reliable, it has not been independently verified by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or their respective directors, officers, employees, advisors and affiliates, and none of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or their respective directors, officers, employees, affiliates or advisors makes any representation as to the accuracy or completeness of that information. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified. This Offering Circular summarises certain documents and other information, and investors should refer to them for a more complete understanding of what is discussed in those documents.

None of the Joint Lead Managers accepts any responsibility for any social, environmental and sustainability assessment of the Securities or makes any representation or warranty or assurance whether the Securities will meet any investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels or any requirements of such labels as they may evolve from time to time. None of the Joint Lead Managers is responsible for the use or allocation of proceeds for the Securities, nor the impact or monitoring of such use of proceeds nor do any of the Joint Lead Managers undertake to ensure that there are sufficient Eligible Projects (as defined in the "**Sustainable Finance Framework**") to allow for allocation of a sum equal to the net proceeds of the issue of the Securities in full.

Sustainable Fitch has issued an independent opinion, dated 20 October 2026, on the Issuer's Sustainable Finance Framework (the "**Second Party Opinion**"). The Second Party Opinion provides an opinion on certain environmental and related considerations and is not intended to address any credit, market or other aspects of an investment in the Securities, including without limitation market price, marketability, investor preference or suitability of any security. The Second Party Opinion is a statement of opinion, not a statement of fact. No representation or assurance is given by the Joint Lead Managers as to the suitability or reliability of the Second Party Opinion or any opinion or certification of any third party made available in connection with the Securities. As at the date of this Offering Circular, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. The Second Party Opinion and any other such opinion or certification is not, nor should be deemed to be, a recommendation by the Joint Lead Managers, or any other person to buy, sell or hold the Securities and is current only as of the date it is issued. The criteria and/or considerations that formed the basis of the Second Party Opinion or any such other opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein. The Issuer's Sustainable Finance Framework may also be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Offering Circular. The Issuer's Sustainable Finance Framework, the Second Party Opinion and any other such opinion or certification does not form part of, nor is incorporated by reference in, this Offering Circular.

Notice to Capital Market Intermediaries and Prospective Investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors

Prospective investors should be aware that certain intermediaries in the context of this offering of the Securities, including certain Joint Lead Managers, are "capital market intermediaries" (the "**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" (the "**OCs**") for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an association ("**Association**") with the Issuer, the Guarantor, the CMI or the relevant group company. Prospective investors associated with the Issuer, the Guarantor, or any CMI (including its group companies) should specifically disclose this when placing an order for the Securities and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Joint Lead Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Joint Lead Manager or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any Joint Lead Manager, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Joint Lead Manager when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Joint Lead Managers and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

PRESENTATION OF FINANCIAL INFORMATION

The audited consolidated financial information of the Guarantor as at and for the years ended 31 December 2023, 2024 and 2025 included in this Offering Circular have been extracted from the Guarantor's audited consolidated financial statements as at and for the years ended 31 December 2024 (the "**Guarantor's 2024 Financial Statements**") and 2025 (the "**Guarantor's 2025 Financial Statements**") and included elsewhere in this Offering Circular together with the auditor's report in respect of such financial year. The Guarantor's 2024 Financial Statements and the Guarantor's 2025 Financial Statements have been prepared and presented in accordance with International Financial Reporting Standards ("**IFRS Accounting Standard**", or "**IFRS**") and have been audited by the Guarantor's independent auditor, Ernst & Young ("**E&Y**").

On 28 May 2026, the board of directors of the Guarantor considered and approved the resolution in relation to the alignment in preparation of financial reports in accordance with the China Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China (the "**PRC GAAP**"). The adoption of the PRC GAAP is made in view of the fact that the financial statements prepared under the PRC GAAP and IFRS have largely converged, and the Guarantor intended to adopt the PRC GAAP for the preparation of financial statements and disclosure of related financial information on a uniform basis commencing from the 2026 interim report. The adoption of the PRC GAAP for the preparation of financial reports and disclosure of related financial information on a uniform basis will not have any material impact on the results or financial position of the Guarantor. For a discussion of certain differences between PRC GAAP and IRFS, see "*Summary of Certain Differences between PRC GAAP and IFRS*".

On 29 September 2026, the Guarantor published its 2026 interim report, which includes the interim consolidated financial statements of the Guarantor as at and for the six months ended 30 June 2026 (the "**Guarantor's 2026 Interim Financial Statements**"), which have been prepared in accordance with the PRC GAAP, and have been reviewed by KPMG Huazhen LLP ("**KPMG**") in accordance with China Certified Public Accountant Review Standard No. 2101 – Review of Financial Statements. The 2026 Interim Financial Statements have not been audited by KPMG and should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. In addition, the 2026 Interim Financial Statements should not be taken as an indication of the expected financial condition or results of operations of the Guarantor for the full financial year ending 31 December 2026.

Except for the changes in significant accounting policies and certain differences between IFRS and PRC GAAP, which shall not have a material impact on the Group's financial position and operating results, the accounting policies applied in the preparation of the 2026 Interim Financial Statements are the same as those followed in the preparation of the Guarantor's 2025 Financial Statements:

- On 19 December 2025, the Ministry of Finance issued Interpretation No. 19 of the Accounting Standards for Business Enterprises (Cai Kuai [2025] No. 32), which further standardised and clarified the provisions on the "accounting for indemnification assets in a business combination (not under common control)", the "accounting treatment of relevant capital reserves upon the disposal of a subsidiary originally acquired through a business combination under common control", the "derecognition of financial liabilities settled using electronic payment systems", the "assessment of contractual cash flow characteristics of financial assets and related disclosures", and the "equity investments designated as at fair value through other comprehensive income", and stipulated that it shall come into effect on 1 January 2026; and

- On 16 June 2026, the Ministry of Finance issued Interpretation No. 20 of the Accounting Standards for Business Enterprises (Cai Kuai [2026] No. 7), which further standardised and clarified the provisions on the "assessment of the contractual cash flow characteristics of financial assets", and the "accounting treatment and related disclosures when a currency is not exchangeable", and stipulated that it shall come into effect on the date of its publication.

Neither the Joint Lead Managers nor their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them makes any representation or warranty, express or implied, regarding the sufficiency of the 2026 Interim Financial Statements for an assessment of, and potential investors must exercise caution when using such data to evaluate, the financial condition and results of operations of the Guarantor.

Certain amounts and percentages included in this Offering Circular have been rounded. Accordingly, in certain instances, the sum of the numbers in a column may not exactly equal the total figure for that column.

CERTAIN DEFINITIONS AND CONVENTIONS

Unless the context otherwise requires, references in this Offering Circular to "Renminbi", "RMB", and "CNY" are to the lawful currency of the PRC, "U.S. dollars", "U.S.$" and "USD" are to the lawful currency of the United States of America, "Hong Kong dollars", "HK$" and "HKD" are to the lawful currency of Hong Kong, the "PRC" and "China" mean the People's Republic of China which for the purpose of this Offering Circular excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan, "Hong Kong" means the Hong Kong Special Administrative Region of the PRC, and "Macau" means the Macau Special Administrative Region of the PRC.

In this Offering Circular, where information has been presented in thousands, millions, or billions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding. References to information in billions of units are to the equivalent of a thousand million units.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes "forward-looking statements". All statements other than statements of historical fact contained in this Offering Circular, including, without limitation, those regarding the Guarantor's and the Group's future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets where the Guarantor or the Group participates or is seeking to participate, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "will", "may", "anticipate", "seek", "should", "estimate" or similar expressions or the negatives thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond the Guarantor's or the Group's control, which may cause its actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Guarantor's and the Group's present and future business strategies and the environment in which the Guarantor or the Group will operate in the future. Important factors that could cause the Guarantor's or the Group's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- industry risks;
- general economic, political, social conditions and developments in China;
- the Group's business and operating strategies;
- the Group's capital expenditure plans;
- various business opportunities that the Group may pursue;
- the Group's operations and business prospects;
- the Group's financial condition and results of operations;
- fluctuation in price and availability of raw materials;
- availability and charges of bank loans and other forms of financing;
- changes in competitive conditions and its ability to compete under these conditions;
- changes in currency exchange rates; and
- other factors beyond the Group's control.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in *"Risk Factors"* and elsewhere in this Offering Circular. The Issuer and the Guarantor caution investors not to place undue reliance on these forward-looking statements which reflect their managements' view only as at the date of this Offering Circular. Neither the Issuer nor the Guarantor undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Offering Circular might not occur.

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DEFINITIONS

In this Offering Circular, unless the context otherwise requires, the following expressions shall have the following meanings.

CCCC	China Communications Construction Company Limited 中國交通建設股份有限公司, a joint stock limited company with limited liability incorporated under the laws of the PRC on 8 October 2006, and except where the context requires otherwise, all of its subsidiaries
CCCG	China Communications Construction Group (Limited)
CCCI	CCCC International Holding Limited (中交國際(香港)控股有限公司), a subsidiary of the Guarantor incorporated under the laws of Hong Kong with limited liability
CHEC	China Harbour Engineering Company Ltd., a subsidiary of the Guarantor
CRBC	China Road and Bridge Corporation, a subsidiary of the Guarantor
GB	PRC national standards issued by the Standardisation Administration of the PRC
ISO	International standards issued by the International Organisation for Standardisation
SASAC	State-owned Assets Supervision and Administration Commission of the State Council of the PRC
SOE	State-owned enterprise
ZPMC	Shanghai Zhenhua Heavy Industry Co., Ltd, a company incorporated on 14 February 1992 in the PRC and listed on the Shanghai Stock Exchange
ZPMC A Shares	Domestic shares in the ordinary share capital of ZPMC with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange under the stock code 600320 and traded in RMB
ZPMC B Shares	Domestically-listed foreign invested shares in the ordinary share capital of ZPMC with nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange under the stock code 900947 and traded in foreign currency

SUMMARY

Overview

The Guarantor was incorporated as a joint stock limited company with limited liability under PRC law on 8 October 2006. The Guarantor is an important subsidiary of CCCG, which is under the supervision of central SASAC and is one of the largest central SOEs in infrastructure construction and design in the PRC by revenue according to ENR. In the Operating Results assessments of State-owned Enterprises conducted by SASAC, CCCG has been rated as a Grade A enterprise for nineteen consecutive years in 2024. In 2025, CCCG ranked first among Chinese enterprises in ENR's Top International Contractors for nineteen consecutive years. In 2025, CCCG's rank in Fortune Global 500 Companies rose to 61st place, which is attributable to the continual increase of CCCG's comprehensive strength. As an important holding subsidiary of CCCG, the Company is the world's largest port, road and bridge design and construction company, and the world's largest dredging company; it is also the largest international contractor and highway investor in China; and the Company also owns the largest engineering fleet in the world.

The Group is an established PRC market leader in its three core business segments of infrastructure construction, infrastructure design and dredging. The Group has been leveraging its extensive experience in its core business segments to shift towards an investment operation strategy which utilises an integrated, full value chain model both domestically and internationally, which enables the Group to provide extensive services and products to its customers, including research and development, planning, survey, design, construction, supervision, maintenance, operation, investment and financing. This has in turn increased the Group's competitiveness in its traditional businesses, and as a result, the Group has developed from being an established PRC market leader to a global competitor in its core business segments. The Guarantor had 32 principal wholly-owned or holding subsidiaries. The Guarantor operates its businesses throughout China, including Hong Kong and Macau, and has established its global presence in 139 countries and regions.

Through designing and constructing state-level engineering construction projects, the Company has set many records recognised as the "first", the "best" and the "most" in the history of port and bridge construction not only in the PRC but also in the rest of Asia and around the world. Construction projects such as the Sutong Yangtze River Bridge, Shanghai Yangshan Deepwater Port, Yangtze River Mouth Deepwater Navigation Channel Regulation Project, Hainan Project, and the Hong Kong-Zhuhai-Macau Bridge reflected the state-of-the-art standard of China, and that of the world. The Company entered the railway market when the market opened and participated in the design and construction of over 130 national key railway projects, including the Harbin-Dalian PDL, Beijing-Shanghai High Speed Railway and Lanzhou-Chongqing Railway. Meanwhile, the Company proactively participated in railway projects under the "Going Global" initiative, and the Mombasa-Nairobi Railway in Kenya and the Nairobi-Maraba Railway Phase I Project were independently designed and constructed by the Company on the basis of Chinese railway construction standards. A number of overseas projects of the Company have won the Luban Award, the National Quality Project Award and ENR awards, and have established a number of landmark projects, quality projects, and people's livelihood projects overseas.

The Group's main businesses include infrastructure construction business, primarily comprising the survey, design, construction and supervision of coastal and inland water port engineering, as well as road, railway, bridge and tunnel engineering; dredging business, primarily comprising infrastructure dredging, maintenance dredging, reclamation dredging, and environmental dredging; and international contracting business. For management purposes, the Group is organised into business units based on products and services in the first half of 2026, and has the following three reportable segments:

- ***New quality infrastructure business***: the new infrastructure segment mainly provides construction services for infrastructure such as ports, roads, bridges and railways, as well as engineering services such as infrastructure dredging, maintenance dredging, environmental dredging and reclamation;

- ***Design consultancy business***: the design and consulting segment mainly provides consulting and planning services, feasibility studies, survey and design, engineering consultancy, engineering measurement and technical research, project management, project supervision, EPC contracting, etc.; and

- ***Other businesses***: the other segments mainly include material sales, fund investment and equipment manufacturing, etc.

The following table sets forth the breakdown of the Group's revenue and gross profit by business segments before elimination of inter-segment sales and unallocated profits for the years ended 31 December 2023, 2024 and 2025:

	Year Ended 31 December											
	2023[1]				2024				2025			
	Revenue	% of the total revenue	Gross Profit	% of the total gross profit	Revenue	% of the total revenue	Gross Profit	% of the total gross profit	Revenue	% of the total revenue	Gross Profit	% of the total gross profit
	(RMB in millions, except percentages)											
Infrastructure construction	667,802	84.7	77,179	81.7	682,603	84.9	74,610	80.5	650,150	84.9	64,672	80.2
Infrastructure design	47,302	6.0	8,731	9.2	36,287	4.5	7,244	7.8	36,511	4.8	6,722	8.3
Dredging	53,506	6.8	7,136	7.6	59,461	7.4	7,857	8.5	54,191	7.1	6,222	7.7
Other businesses	19,369	2.5	1,434	1.5	26,064	3.2	2,992	3.2	24,289	3.2	3,026	3.8
Inter-segment elimination and unallocated profit/(costs)	(32,292)	–	69	–	(36,172)	–	(100)	–	(38,505)	–	(84)	–
Total	**755,687**	**100**	**94,549**	**100**	**768,243**	**100**	**92,603**	**100**	**726,636**	**100**	**80,558**	**100**

Note:

(1) The contributions by each of the Group's business segments in terms of revenue and as a percentage of its total revenue before elimination of inter-segment sales and unallocated profits for the year ended 31 December 2023 have been restated to account for the Group obtaining control over China Communications Construction (Xiamen) E-commerce Co., Ltd. through capital increase and its acquisition of China Zhibao Investment Co., Ltd. from China Real Estate Development Group Co., Ltd in 2024.

In the first half of 2026, the Group's business segments are organised into three reportable segments, which are namely new quality infrastructure, design consultancy and other businesses, based on products and services. The following table sets forth the breakdown of the Group's revenue from principal operations and gross profit by the three reportable segments before elimination of inter-segment sales and unallocated profits for the six months ended 30 June 2025 and 2026:

	Six Months Ended 30 June					
	2025			2026		
	Revenue from principal operations	Cost from principal operations	Gross profit margin (%)	Revenue from principal operations	Cost from principal operations	Gross profit margin (%)
	(RMB in millions, except percentages)					
New quality infrastructure	318,874	287,343	9.89	316,788	287,979	9.09
Design consultancy	12,853	10,522	18.14	12,259	10,412	15.06
Other businesses	4,790	3,202	33.17	4,421	3,126	29.28
Inter-segment elimination and unallocated profit/(costs)	(1,734)	(1,870)	–	(3,064)	(3,017)	–
Total	**334,783**	**299,196**	**10.63**	**330,404**	**298,501**	**9.66**

The following table sets forth the Group's revenue by geographic regions for the periods indicated:

	Year Ended 31 December		
	2023	2024	2025
		(RMB in millions)	
The PRC (excluding Hong Kong, Macau and Taiwan)	639,751	633,463	567,591
Other regions	115,936	134,780	159,045
Total	**755,687**	**768,243**	**726,636**

	Six Months Ended 30 June	
	2025	2026
	(RMB in millions)	
The PRC (excluding Hong Kong, Macau and Taiwan)	268,914	244,215
Other regions	68,141	88,944
Total	**337,055**	**333,160**

During the six months ended 30 June 2026, the value of new contracts of the Group amounted to RMB902,949 million, representing a year-on-year decrease of 8.89 per cent. from RMB991,054 million for the corresponding period in 2025, which is in line with the scheduled progress. The Group continuously improved the business structure, steadily expanded the scale of cash remittance and significantly enhanced the quality and efficiency of investment. As at 30 June 2026, the backlog of the Group amounted to RMB3,216,563 million.

During the six months ended 30 June 2026, the value of new contracts of all businesses from overseas markets of the Group amounted to RMB241,678 million, representing a year-on-year increase of 21 per cent., and accounting for approximately 27 per cent. of the Group's new contracts value. Wherein, the value of new contracts from new quality infrastructure business, design consultancy business and other businesses amounted to RMB240,062 million, RMB1,401 million and RMB215 million, respectively.

Recent Developments

Financial Information for the Six Months Ended 30 June 2026

On 29 September 2026, the Guarantor published the Guarantor's 2026 Interim Financial Statements.

With effect from 2026, the Guarantor will no longer provide separate financial reports prepared in accordance with the PRC GAAP and the IFRS to A shareholders and H shareholders respectively. Instead, it will provide all shareholders with financial reports prepared in accordance with PRC GAAP, taking into account the relevant disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules when preparing these financial reports. Accordingly, the interim financial information of the Guarantor as at and for the six months ended 30 June 2026, as extracted from the Guarantor's 2026 Interim Financial Statements, have only been prepared in accordance with the PRC GAAP. For a discussion on certain differences between PRC GAAP and IFRS, see "*Summary of Certain Differences between PRC GAAP and IFRS*".

The 2026 Interim Financial Statements have been reviewed but have not been audited by KPMG, and should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. In addition, the 2026 Interim Financial Statements should not be taken as an indication of the expected financial condition or results of operations of the Guarantor for the full financial year ending 31 December 2026.

Consolidated Balance Sheet of the Guarantor as at 31 December 2025 and 30 June 2026

	As at 31 December 2025	As at 30 June 2026
		(Unaudited)
	(RMB in millions)	
Assets		
Current assets		
Cash and bank balances	151,056	188,300
Financial assets held for trading	633	1,436
Derivative financial assets	13	93
Bills receivable	1,847	1,344
Accounts receivable	157,729	157,819
Receivables financing	1,091	1,119
Prepayments	20,505	26,433
Other receivables	49,182	51,984
Inventories	114,705	121,175
Contract assets	243,493	263,103
Non-current assets due within one year	100,567	106,393
Other current assets	29,120	37,096
Total current assets	**869,941**	**956,294**
Non-current assets		
Debt investments	541	1,118
Long-term receivables	275,368	298,490
Long-term equity investments	109,336	107,670
Other equity instrument investments	26,951	25,075
Other non-current financial assets	27,378	27,763
Investment properties	11,893	13,266
Fixed assets	65,072	62,729
Construction in progress	14,341	15,860
Right-of-use assets	4,239	4,137
Intangible assets	237,251	263,929
Development expenses	332	361
Goodwill	5,504	5,496
Long-term deferred expenses	1,700	1,670
Deferred income tax assets	12,824	13,130
Other non-current assets	356,460	378,018
Total non-current assets	**1,149,191**	**1,218,711**
Total assets	**2,019,132**	**2,175,005**

	As at 31 December 2025	As at 30 June 2026
		(Unaudited)
	(RMB in millions)	
Current liabilities		
Short-term borrowings	106,408	162,087
Derivative financial liabilities	34	31
Bills payable	26,251	30,080
Accounts payable	418,864	404,024
Contract liabilities	102,566	103,364
Accrued payroll	2,513	2,499
Taxes and surcharges payable	12,548	9,612
Other payables	140,402	148,802
Non-current liabilities due within one year	109,530	113,642
Other current liabilities	53,556	89,499
Total current liabilities	972,671	1,063,640
Non-current liabilities		
Long-term borrowings	425,292	466,517
Bonds payable	58,751	66,448
Lease liabilities	3,160	3,202
Long-term payables	76,015	78,208
Long-term accrued payroll	744	700
Estimated liabilities	4,302	4,355
Deferred income	1,184	1,241
Deferred income tax liabilities	8,068	8,104
Other non-current liabilities	1,058	1,213
Total non-current liabilities	**578,574**	**629,988**
Total liabilities	**1,551,245**	**1,693,628**
Shareholders' equity		
Share capital	16,275	16,214
Other equity instruments	22,200	22,200
Including: Perpetual bonds	22,200	22,200
Capital reserves	35,141	34,696
Less: Treasury shares	667	383
Other comprehensive income	12,740	9,413
Special reserves	5,565	5,779
Surplus reserves	14,543	14,543
Provision for general risks	1,333	1,928
Undistributed profit	203,797	209,088
Total shareholders' equity attributable to the parent company	310,926	313,477
Minority interest	156,961	167,900
Total shareholders' equity	**467,887**	**481,377**
Total liabilities and shareholders' equity	**2,019,132**	**2,175,005**

Consolidated Income Statement of the Guarantor for the six months ended 30 June 2025 and 2026

	For the six months ended 30 June	
	2025	**2026**
	(Unaudited)	*(Unaudited)*
	(RMB in millions)	
Revenue from operations	**337,055**	**333,160**
Less: Cost of operations	301,179	300,329
Taxes and surcharges	1,074	1,101
Selling expenses	1,391	1,666
Administrative expenses	7,612	7,369
Research and development expenses	8,824	8,119
Finance costs	(1,165)	1,101
Including: Interest expenses	9,969	10,977
Interest income	11,224	12,291
Add: Other income	178	179
Investment income	376	1,224
Including: Investment loss from associates and joint ventures	(728)	(134)
Loss arising from derecognition of financial assets measured at amortised cost	(498)	(238)
Losses from fair value changes	(378)	(230)
Credit losses	(1,916)	(2,061)
Impairment losses	(482)	(283)
Gains from assets disposal	48	121
Operating profit	**15,966**	**12,425**
Add: Non-operating income	378	159
Less: Non-operating expenses	142	144
Total profit	16,203	12,440
Less: Income tax expenses	3,336	2,886
Net profit	12,867	9,554
Including: Net profit of entity being absorbed before a business combinationinvolving entities under common control	–	–
Classified by continuity of operations		
Net profit from continuing operations	12,867	9,554
Classified by ownership of equity		
Net profit attributable to shareholders of the Company	9,568	7,277
Non-controlling interests	3,299	2,277
Other comprehensive (loss)/income, net of tax	1,842	(3,361)
Other comprehensive (loss)/income attributable to shareholders of the Company, net of tax	1,824	(3,333)
Other comprehensive (loss)/income that will not be reclassified to profit and loss	1,904	(1,666)
Other comprehensive loss that will be reclassified to profit and loss	(80)	(1,667)
Other comprehensive (loss)/income attributable to non-controlling interests, net of tax	18	(28)
Total comprehensive income	**14,709**	**6,193**
Including:		
Total comprehensive income attributable to shareholders of the Company	11,392	3,944
Total comprehensive income attributable to non-controlling interests	3,317	2,249
Earnings per share		
Basic earnings per share	0.56	0.43
Diluted earnings per share	0.56	0.43

Competitive Strengths

The growth and development of the Group are primarily concentrated on the following core competitive strengths:

- Proactively Laying out "Eight-Network Integration" Strategically to Build Differentiated Competitive Barriers.

- Consolidating and Expanding International Leading Advantages, Upgrading from "Going out" to "Systematic Upgrading and Dimensional Elevation.

- Focusing on Breakthroughs in Key Core Technologies to Build Competitive Barriers through High-Conversion Technology Investment.

Business Strategies

The development strategy of the Group is closely aligned with that of CCCG and emphasizes steadfastly adhering to high-quality development. The Group is committed to the "1-2-3-4-5-6" overall development strategy, unwavering in its mission to become stronger, better and bigger, and determined to build a world-class enterprise:

- One – One Enhancement.

- Two – Focusing on "Two Majors, Two Preferences, Two Foundations".

- Three – Concentrating on "Three Key Areas".

- Four – Adhering to the "Four Doings".

- Five – Promoting the "Five Businesses of CCCC".

- Six – Accelerating the Sixisations.

THE OFFERING

The following summary contains some basic information about the Securities and is qualified in its entirety by the remainder of this Offering Circular. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in "Terms and Conditions of the Securities" shall have the same meanings in this summary. For a complete description of the terms of the Securities, see "Terms and Conditions of the Securities" in this Offering Circular.

Issuer	CCCI Treasure Limited.
Issuer Legal Entity Identifier (LEI)	222100QYJA4A1WYR6697.
Guarantor	China Communications Construction Company Limited 中國交通建設股份有限公司.
Issue	CNY3,350,000,000 1.90 per cent. Subordinated Guaranteed Sustainable Perpetual Securities (the "**Securities**").
Guarantee	The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment in full of all sums expressed to be from time to time payable by the Issuer under the Trust Deed and in respect of the Securities.
Issue Price of the Securities	100.00 per cent.
Form and Denomination	The Securities will be issued in registered form and in the denomination of CNY1,000,000 and integral multiples of CNY10,000.
Distribution	Subject to Condition 4(d) of the Terms and Conditions, the Securities confer a right to receive distribution (each a "**Distribution**") from, and including the Issue Date at the Distribution Rate in accordance with Condition 4 of the Terms and Conditions. Subject to Condition 4(d) of the Terms and Conditions, Distribution shall be payable on the Securities semi-annually in equal instalments in arrear on 29 April and 29 October of each year (each, a "**Distribution Payment Date**"), commencing on 29 April 2027.
Distribution Rate	The Distribution Rate applicable to the Securities shall be: (i) in respect of the period from, and including, the Issue Date to, but excluding, the First Reset Date, the Initial Distribution Rate; and (ii) in respect of the period (A) from, and including the First Reset Date, to but excluding, the Reset Date falling immediately after the First Reset Date, and (B) from, and including, each Reset Date falling after the First Reset Date to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate.

Pursuant to Condition 4(e) of the Terms and Conditions, upon the occurrence of a Step-Up Event, unless (x) an irrevocable notice in writing to redeem the Securities has been given by the Issuer to Holders of the Securities (in accordance with Condition 15 of the Terms and Conditions), the Trustee and the CMU Lodging and Paying Agent pursuant to Condition 5 of the Terms and Conditions by the 30th day following the occurrence of the relevant Step-Up Event or (y) the relevant Step-Up Event is remedied by the 30th day following the occurrence of such relevant Step-Up Event, the Distribution Rate of the Securities will increase by 3.00 per cent. per annum with effect from (a) the next Distribution Payment Date immediately following the occurrence of the relevant Step-Up Event or (b) if the date on which the relevant Step-Up Event (as applicable) occurs is prior to the most recent preceding Distribution Payment Date, such Distribution Payment Date, **provided that** the maximum aggregate increase in the Distribution Rate of the Securities shall be 3.00 per cent. per annum and the Distribution Rate of the Securities shall not exceed the Maximum Distribution Rate of the Securities, as further described in *"Terms and Conditions of the Securities – Distribution – Increase in Distribution Rate following occurrence of certain events"*.

Maximum Distribution Rate means:

(a) in respect of each Distribution Payment Date, the period from, and including, the Issue Date to, but excluding, the First Reset Date, the Initial Distribution Rate plus 3.00 per cent. per annum; and

(b) in respect of the period (A) from, and including the First Reset Date to, but excluding, the Reset Date falling immediately after the First Reset Date, and (B) from, and including, each Reset Date falling after the First Reset Date to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate plus 3.00 per cent. per annum.

Distribution Deferral . . . . . The Issuer may, at its sole discretion, elect to defer (in whole or in part) any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice (an "**Optional Deferral Notice**") to the Holders (in accordance with Condition 15 of the Terms and Conditions), the Trustee and the CMU Lodging and Paying Agent in writing not less than seven business days prior to the relevant Distribution Payment Date (an "**Optional Deferral Event**").

No Obligation to Pay	The Issuer shall have no obligation to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 4(d)(i) of the Terms and Conditions. Notwithstanding any other provisions of the Terms and Conditions or the Trust Deed, the deferral of any Distribution payment in accordance with Condition 4(d) of the Terms and Conditions shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 8 of the Terms and Conditions) on the part of the Issuer or the Guarantor in respect of the Guarantee of the Securities or for any other purpose.
Cumulative Deferral	Any Distribution deferred pursuant to Condition 4(d) of the Terms and Conditions shall constitute "**Arrears of Distribution**". Each amount of Arrears of Distribution with respect to the Securities shall accrue distribution as if it constituted the principal of the Securities at the prevailing Distribution Rate and the amount of such distribution (the "**Additional Distribution Amount**") with respect to the Arrears of Distribution shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as described in Condition 4 of the Terms and Conditions. With respect to the Securities, Additional Distribution Amount accrued up to any Distribution Payment Date shall be added (for the purpose of calculating the Additional Distribution Amount accruing thereafter) to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution. The Issuer may, at its sole discretion, elect (in the circumstances set out in Condition 4(d)(i) of the Terms and Conditions) to further defer (in whole or in part) any Arrears of Distribution of the Securities by complying with the notice requirement applicable to any deferral of Distribution set out in the Terms and Conditions of the Securities and is not subject to any limit as to the number of times Distribution and Arrears of Distribution can be deferred.

Restrictions in the case of Deferral . The Issuer undertakes, and undertakes to procure its Subsidiaries, unless the Payment Condition has been fully satisfied or the Issuer or the relevant Subsidiary is otherwise permitted to do so by an Extraordinary Resolution of the Holders:

(A) not to declare or pay any discretionary dividends or distributions or make any other discretionary payment, and will procure that no discretionary dividend, distribution or other discretionary payment is made, in each case, on any Parity Securities or Junior Securities of the Issuer or the Guarantor with respect to the Securities (except (i) in relation to the Parity Securities of the Issuer or the Guarantor, as the case may be, on a pro rata basis, or (ii) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants); and

(B) not, at its discretion redeem, reduce, cancel, buy-back or otherwise acquire for any consideration any Parity Securities or Junior Securities of the Issuer or the Guarantor with respect to the Securities (except (i) in relation to the Parity Securities of the Issuer or the Guarantor, as the case may be, on a pro rata basis, (ii) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants, or (iii) as a result of the exchange or conversion of such Parity Securities for the Junior Securities of the Issuer or the Guarantor with respect to the Securities).

The Guarantor undertakes, and undertakes to procure the Issuer and the Subsidiaries of the Guarantor, unless the Payment Condition has been fully satisfied or the Issuer, the Guarantor or the relevant Subsidiary is otherwise permitted to do so by an Extraordinary Resolution of the Holders:

(A) not to declare or pay any discretionary dividends or distributions or make any other discretionary payment, and will procure that no discretionary dividend, distribution or other discretionary payment is made, in each case, on any Parity Securities or Junior Securities of the Issuer or the Guarantor with respect to the Securities (except (i) in relation to the Parity Securities of the Issuer or the Guarantor, as the case may be, on a pro rata basis, or (ii) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants); and

	(B) not, at its discretion redeem, reduce, cancel, buy-back or otherwise acquire for any consideration any Parity Securities or Junior Securities of the Issuer or the Guarantor (except (i) in relation to the Parity Securities of the Issuer or the Guarantor, as the case may be, on a pro rata basis, (ii) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants, or (iii) as a result of the exchange or conversion of such Parity Securities for the Junior Securities of the Issuer or the Guarantor, as the case may be).
Issue Date	29 October 2026.
Maturity Date of the Securities	There is no maturity date.
Status of Securities and Guarantee of the Securities	The Securities constitute direct, unconditional, (subject to Condition 3(a) of the Terms and Conditions) unsecured and subordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and with any Parity Securities of the Issuer. The rights and claims of the Holders in respect of the Securities are subordinated as provided in the Terms and Conditions. The Guarantee of the Securities constitutes a direct, general, unconditional, (subject to Condition 3(a) of the Terms and Conditions) unsecured and subordinated obligation of the Guarantor which shall, at all times rank at least *pari passu* with any Parity Securities of the Guarantor. The rights and claims of the Holders in respect of the Guarantee of the Securities are subordinated as provided in Condition 1 of the Terms and Conditions.
Set-off – Securities and Guarantee of Securities	Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Securities, and each Holder shall, by virtue of his holding of any Securities, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with the Securities is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-Up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Guarantor in respect of, or arising under or in connection with the Guarantee of the Securities, and each Holder shall, by virtue of his holding of any Securities, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Guarantor. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Guarantor in respect of, or arising under or in connection with the Guarantee of the Securities is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Guarantor (or, in the event of its Winding-Up or administration, the liquidator or, as appropriate, administrator of the Guarantor) and, until such time as payment is made, shall hold such amount in trust for the Guarantor (or the liquidator or, as appropriate, administrator of the Guarantor) and accordingly any such discharge shall be deemed not to have taken place.

Taxation . . . . . All payments of principal, premium (if any) and Distribution (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities, the Trust Deed and under the Guarantee of the Securities by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf of the British Virgin Islands, the PRC, such other jurisdiction in which the Issuer and the Guarantor respectively is incorporated or any jurisdiction of residence for tax purpose of the Issuer and the Guarantor respectively (each, a "**Relevant Jurisdiction**") or any political subdivision or any authority therein or thereof having power to tax, unless the withholding or deduction of the Taxes is required by law.

Where such withholding or deduction is made by the Issuer or (as the case may be) the Guarantor as a result of the Issuer or (as the case may be) the Guarantor being deemed to be a PRC tax resident by or on behalf of the PRC or any political subdivision thereof or authority therein or thereof having power to tax at the rate applicable on 22 October 2026 (the "**Applicable Rate**"), the Issuer or the Guarantor, as the case may be, will increase the amounts paid by it to the extent required, so that the net amount received by the Holders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

	In the event the Issuer or the Guarantor is required to make a deduction or withholding (i) by or within the PRC in excess of the Applicable Rate; or (ii) by or within the British Virgin Islands, the Issuer or the Guarantor, as the case may be, shall pay such additional amounts (the "**Additional Tax Amount**") as will result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no additional amounts referred to in Condition 7 of the Terms and Conditions shall be payable in respect of any Securities in the limited circumstances as further described therein.
Negative Pledge and Relevant Indebtedness	The Securities contain a negative pledge provision, as further described in Condition 3(a) of the Terms and Conditions.
Redemption at the Option of the Issuer	The Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not less than 30 nor more than 60 days' irrevocable notice (in accordance with Condition 15 of the Terms and Conditions) to the Trustee, the CMU Lodging and Paying Agent and the Holders at their principal amount (together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount of the Securities)): (i) from (and including) 29 July 2029 (being the date that falls three months prior to the First Reset Date) up to (and including) the First Reset Date; or (ii) on any Distribution Payment Date after the First Reset Date, (each, a "**Call Date**"). On expiry of any such notice as described in Condition 5(b) of the Terms and Conditions, the Issuer shall be bound to redeem the Securities on the Call Date in accordance with Condition 5(b) of the Terms and Conditions.
Tax Redemption	With respect to the Securities, the Issuer may redeem the Securities in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (in accordance with Condition 15 of the Terms and Conditions) to the Holders, the Trustee and the CMU Lodging and Paying Agent at their principal amount, together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), in the event of certain changes affecting the taxes of any Relevant Jurisdiction, as further described in Condition 5(c) of the Terms and Conditions.

Redemption for Accounting Reasons	The Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not less than 30 nor more than 60 days' irrevocable notice (in accordance with Condition 15 of the Terms and Conditions) to the Trustee, the CMU Lodging and Paying Agent and the Holders at (a) 101 per cent. of their principal amount together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), at any time before 29 July 2029 (being the date that falls three months prior to the First Reset Date); or (b) their principal amount, together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), at any time on or after 29 July 2029 (being the date that falls three months prior to the First Reset Date); or if, immediately before giving such notice, the Issuer satisfies the Trustee that as a result of any changes or amendments to, or a change or amendment to any interpretation of, the Relevant Accounting Standards, the Securities must not or must no longer be recorded as "equity" of the Guarantor or CCCC International Holding Limited pursuant to the Relevant Accounting Standards, as further described in Condition 5(d) of the Terms and Conditions.
Redemption for Change of Control .	Following the occurrence of a Change of Control Event with respect to the Securities, the Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not less than 30 nor more than 60 days' irrevocable notice (in accordance with Condition 15 of the Terms and Conditions) to the Trustee, the CMU Lodging and Paying Agent and the Holders of the Securities at a redemption price equal to (i) 101 per cent. of their principal amount together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), at any time before 29 July 2029 with respect to the Securities (being the date that falls three months prior to the First Reset Date); or (ii) their principal amount, together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), at any time on or after 29 July 2029 with respect to the Securities (being the date that falls three months prior to the First Reset Date), as further described in Condition 5(e) of the Terms and Conditions.
Redemption on the occurrence of a Breach of Covenant Event or a Relevant Indebtedness Default Event	The Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not less than 30 nor more than 60 days' irrevocable notice (in accordance with Condition 15 of the Terms and Conditions) to the Trustee, the CMU Lodging and Paying Agent and the Holders at their principal amount (together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) upon the occurrence of a Breach of Covenant Event or a Relevant Indebtedness Default Event, as further described in Condition 5(f) of the Terms and Conditions.

Redemption for minimum outstanding amount	The Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not less than 30 nor more than 60 days' irrevocable notice (in accordance with Condition 15 of the Terms and Conditions) to the Trustee, the CMU Lodging and Paying Agent and the Holders at their principal amount (together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) if prior to the date fixed for redemption at least 90 per cent. in principal amount of the Securities originally issued has been redeemed or purchased and cancelled, as further described in Condition 5(g) of the Terms and Conditions.
Limited rights to institute proceedings	No Holder shall be entitled to proceed directly against the Issuer or the Guarantor or to institute proceedings for the Winding-Up of the Issuer or the Guarantor or claim in the liquidation of the Issuer or the Guarantor or to prove in such Winding-Up unless the Trustee, having become so bound to proceed or being able to prove in such Winding-Up or claim in such liquidation, fails to do so within a reasonable period and such failure shall be continuing, in which case the Holder shall have only such rights against the Issuer or the Guarantor as those which the Trustee is entitled to exercise as set out in Condition 8 of the Terms and Conditions.
Proceedings for Winding-Up	If (A) there is a Winding-Up of the Issuer or (B) the Issuer shall not make payment in respect of the Securities or under the Trust Deed, for a period of 14 days or more after the date on which such payment is due, the Issuer and the Guarantor shall be deemed to be in default under the Trust Deed, the Guarantee of the Securities and the Securities and the Trustee may, subject to the provisions of Condition 8(d) of the Terms and Conditions, institute proceedings for the Winding-Up of the Issuer or the Guarantor, prove in the Winding-Up of the Issuer and/or the Guarantor and/or claim in the liquidation of the Issuer and/or the Guarantor for such payment. Without prejudice to Condition 8(b)(i) of the Terms and Conditions, if (A) there is a Winding-Up of the Guarantor or (B) the Guarantor shall not make payment in respect of the Guarantee of the Securities or the Trust Deed for a period of 14 days or more after the date on which such payment is due, the Guarantor shall be deemed to be in default under the Trust Deed and the Guarantee of the Securities and the Trustee may, subject to the provisions of Condition 8(d) of the Terms and Conditions, institute proceedings for the Winding-Up of the Guarantor, prove in the Winding-Up of the Guarantor and/or claim in the liquidation of the Guarantor for such payment.

Substitution or Variation	If a Special Event has occurred and is continuing, then the Issuer may at its option, subject to Condition 4 of the Terms and Conditions (without any requirement for the consent or approval of the Holders) and subject to it having satisfied the Trustee immediately prior to the giving of any notice referred to herein that the provisions of Condition 12(c) of the Terms and Conditions have been complied with, and having given not less than 30 nor more than 60 days' irrevocable notice in writing to the Trustee and the CMU Lodging and Paying Agent and, in accordance with Condition 15 of the Terms and Conditions, to the Holders, at any time either (i) substitute all, but not some only, of the Securities for, or (ii) vary the terms of the Securities with the effect that they remain or become (as the case may be), Qualifying Securities, and the Trustee shall (subject to the following provisions of Condition 12(c) of the Terms and Conditions and subject to the receipt by it of the certificate in English of an authorised signatory of the Issuer referred to in the definition of Qualifying Securities, on which the Trustee may rely absolutely) agree to such substitution or variation. Any such substitution or variation agreed to by the Trustee as aforesaid shall be binding on the Holders. Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Securities in accordance with Condition 12(c) of the Terms and Conditions. In connection therewith, any outstanding Arrears of Distribution (including any Additional Distribution Amount) shall be satisfied in full in accordance with the provisions of Condition 4(d)(v) of the Terms and Conditions. "**Special Event**" means a Gross-Up Event, an Accounting Event or any combination of the foregoing.
Clearing Systems	The Securities will be represented by beneficial interests in a Global Certificate, which will be registered in the name of, and lodged with a sub-custodian for, the Operator of the CMU on or about the Issue Date. Beneficial interests in the Global Certificate of the Securities will be shown on and transfers thereof will be effected only through records maintained by the CMU. For persons seeking to hold a beneficial interest in the Securities through Euroclear and Clearstream, such persons will hold their interest through an account opened and held by Euroclear or Clearstream (as the case may be) with the CMU. Except as described herein, certificates for the Securities will not be issued in exchange for beneficial interests in the Global Certificate.
Clearance and Settlement	The Securities have been accepted for clearance by the CMU under the following codes: CMU Instrument Number: BOAKFB26057. The ISIN of the Securities is HK0001366670. The Common Code of the Securities is 354213001.

Governing Law	English law, except that the subordination provisions applicable to (i) the Issuer set out in Condition 1(b) (*Form, Denomination, Status, Ranking and Guarantee – Status of the Securities*), Condition 1(d) (*Form, Denomination, Status, Ranking and Guarantee – Ranking of claims in respect of the Securities*) and Condition 1(f) (*Form, Denomination, Status, Ranking and Guarantee – Set-off – Securities*) shall be governed by, and construed in accordance with, the laws of the British Virgin Islands and (ii) the Guarantor set out in Condition 1(c) (*Form, Denomination, Status, Ranking and Guarantee – Guarantee of the Securities*), Condition 1(e) (*Form, Denomination, Status, Ranking and Guarantee – Ranking of claims in respect of the Guarantee of the Securities*), Condition 1(g) (*Form, Denomination, Status, Ranking and Guarantee – Set-off – Guarantee of the Securities*), clause 4.1 of the Trust Deed and clause 4.7 of the Deed of Guarantee shall be governed by, and construed in accordance with, the laws of the PRC.
Trustee	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司).
CMU Lodging and Paying Agent, Registrar, Transfer Agent and Calculation Agent	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司).
Listing	Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Securities on the Hong Kong Stock Exchange by way of debt issues to Professional Investors only and it is expected that the listing of, and permission to deal in, the Securities on the Hong Kong Stock Exchange will commence on 30 October 2026.
Rating	The Securities are expected to be rated "Baa2" by Moody's. Security ratings are not recommendations to buy, sell or hold the Securities. Ratings are subject to revision or withdrawal at any time by the rating agencies. Prospective investors should evaluate each rating independently of any other rating of the Securities or other securities of the Issuer.
Use of Proceeds	See "*Use of Proceeds*".

SELECTED CONSOLIDATED FINANCIAL INFORMATION OF THE GUARANTOR

The summary audited consolidated financial information of the Guarantor as at and for the years ended 31 December 2023, 2024 and 2025 set forth below is derived from the Guarantor's 2024 Financial Statements and the Guarantor's 2025 Financial Statements. Both the Guarantor's 2024 Financial Statements and the Guarantor's 2025 Financial Statements have been prepared and presented in accordance with IFRS.

The information set out below should be read in conjunction with, and is qualified in its entirety by reference to, the relevant consolidated financial statements of the Guarantor, which are included in the F-pages of this Offering Circular. Historical results are not necessarily indicative of results that may be achieved in any future period.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF THE GUARANTOR

	For the year ended 31 December		
	2023[1]	**2024**	**2025**
	(audited)	*(audited)*	*(audited)*
		(RMB in millions)	
Revenue	755,687	768,243	726,636
Cost of sales	(661,138)	(675,640)	(646,078)
Gross profit	**94,549**	**92,603**	**80,558**
Other income	5,573	6,239	7,212
Other gains/(losses), net	(325)	(1,084)	(620)
Selling and marketing expenses	(2,548)	(3,091)	(3,299)
Administrative expenses	(47,594)	(45,239)	(42,551)
Impairment losses on financial and contract assets, net	(7,901)	(7,041)	(7,859)
Other expenses	(2,780)	(3,080)	(4,316)
Operating profit	**38,974**	**39,307**	**29,125**
Finance income	23,898	24,241	22,845
Finance costs, net	(24,311)	(24,038)	(22,630)
Share of profits and losses of:			
– Joint ventures	(1,409)	(1,884)	(1,729)
– Associates	400	(463)	(13)
Profit before tax	**37,552**	**37,163**	**27,598**
Income tax expense	(6,399)	(6,344)	(6,540)
Profit for the year/period	**31,153**	**30,819**	**21,058**
Attributable to:			
– Owners of the parent	24,739	23,854	14,995
– Non-controlling interests	6,414	6,965	6,063
Earnings per share attributable to ordinary equity holders of the parent			
Basic	RMB1.45	RMB1.40	RMB0.86
Diluted	RMB1.45	RMB1.40	RMB0.86

Note:

(1) During 2024, the Group obtained control over China Communications Construction (Xiamen) E-commerce Co., Ltd. through a capital increase and acquired China Zhibao Investment Co., Ltd. from China Real Estate Development Group Co., Ltd. Since the merged companies and the Group are both under common control of China Communications Construction Group (Limited) ("**CCCG**") before and after the acquisition, these acquisitions constitute business combinations under common control and are accounted for using merger accounting. As a result, the consolidated financial statements of the Group as at and for the year ended 31 December 2023 have been restated.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE GUARANTOR

	For the year ended 31 December		
	2023[1]	**2024**	**2025**
	(audited)	*(audited)*	*(audited)*
		(RMB in millions)	
Profit for the year/period	**31,153**	**30,819**	**21,058**
Other comprehensive income/(losses)			
Other comprehensive income/(losses) that will not be reclassified to profit or loss in subsequent periods, net of tax			
Actuarial losses on retirement benefit obligations, net of tax	(2)	(40)	(13)
Share of other comprehensive income of joint ventures and associates	–	(9)	(8)
Changes in fair value of equity investments designated at fair value through other comprehensive income/(losses), net of tax	(2,734)	5,306	832
Net other comprehensive income/(losses) that will not be reclassified to profit or loss in subsequent periods	(2,736)	5,257	811
Other comprehensive income/(losses) that may be reclassified to profit or loss in subsequent periods, net of tax			
Cash flow hedges, net of tax	(4)	33	(22)
Share of other comprehensive income/(losses) of joint ventures and associates	24	(274)	10
Exchange differences on translation of foreign operations	617	(913)	(340)
Net other comprehensive income/(losses) that may be reclassified to profit or loss in subsequent periods	637	(1,154)	(352)
Other comprehensive losses for the year, net of tax	**(2,099)**	**4,103**	**459**
Total comprehensive income for the year	**29,054**	**34,922**	**21,517**
Attributable to:			
– Owners of the parent	22,623	27,975	15,446
– Non-controlling interests	6,431	6,947	6,071

Note:

(1) During 2024, the Group obtained control over China Communications Construction (Xiamen) E-commerce Co., Ltd. through a capital increase and acquired China Zhibao Investment Co., Ltd. from China Real Estate Development Group Co., Ltd. Since the merged companies and the Group are both under common control of CCCG before and after the acquisition, these acquisitions constitute business combinations under common control and are accounted for using merger accounting. As a result, the consolidated financial statements of the Group as at and for the year ended 31 December 2023 have been restated.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GUARANTOR

	As at 31 December		
	2023[1]	2024	2025
	(audited)	*(audited)*	*(audited)*
		(RMB in millions)	
Non-current assets			
Property, plant and equipment	75,124	80,029	80,593
Investment properties	9,583	8,242	9,734
Right-of-use assets	20,353	21,697	21,350
Intangible assets	200,563	197,233	228,135
Investments in joint ventures	59,671	59,978	54,565
Investments in associates	53,801	54,394	54,771
Financial assets at fair value through profit or loss	27,316	27,434	27,102
Derivative financial instruments	413	377	276
Debt investments at amortised cost	1,240	402	541
Equity investments designated at fair value through other comprehensive income	21,425	27,180	26,951
Contract assets, trade and other receivables	518,534	580,846	632,349
Deferred tax assets	10,117	11,535	12,824
Total non-current assets	**998,140**	**1,069,347**	**1,149,191**
Current assets			
Inventories	88,021	102,134	114,705
Contract assets, trade and other receivables	472,528	542,851	603,534
Financial assets at fair value through profit or loss	838	497	633
Debt investments at amortised cost	–	920	–
Derivative financial instruments	–	42	13
Restricted bank deposits and time deposits with an initial term of over three months	10,730	7,507	11,226
Cash and cash equivalents	110,253	134,974	139,830
Assets of a disposal group classified as held for sale	3,902	–	–
Total current assets	**686,272**	**788,925**	**869,941**
Current liabilities			
Trade and other payables	564,403	635,310	663,461
Contract liabilities	73,483	85,270	102,566
Derivative financial instruments	5	–	34
Tax payable	9,662	7,307	6,242
Interest-bearing bank and other borrowings	111,912	140,826	200,280
Retirement benefit obligations	102	95	88
Liabilities directly associated with the assets classified as held for sale	2,688	–	–
Total current liabilities	**762,255**	**868,808**	**972,671**
Non-current liabilities			
Trade and other payables	53,121	62,974	76,605
Interest-bearing bank and other borrowings	399,714	445,497	487,202
Deferred income	1,633	1,493	1,723
Deferred tax liabilities	4,379	7,549	8,068
Retirement benefit obligations	907	844	744
Provisions	3,203	3,292	4,232
Total non-current liabilities	**462,957**	**521,649**	**578,574**
Net assets	**459,200**	**467,815**	**467,887**
Equity			
Equity attributable to owners of the parent			
Share capital	16,264	16,279	16,275
Share premium	20,049	20,109	20,092
Treasury shares	(522)	(597)	(667)
Financial instruments classified as equity	35,000	31,000	22,200
Reserves	230,976	246,634	253,026
Non-controlling interests	157,433	154,390	156,961
Total equity	**459,200**	**467,815**	**467,887**

Note:

(1) During 2024, the Group obtained control over China Communications Construction (Xiamen) E-commerce Co., Ltd. through a capital increase and acquired China Zhibao Investment Co., Ltd. from China Real Estate Development Group Co., Ltd. Since the merged companies and the Group are both under common control of CCCG before and after the acquisition, these acquisitions constitute business combinations under common control and are accounted for using merger accounting. As a result, the consolidated financial statements of the Group as at and for the year ended 31 December 2023 have been restated.

RISK FACTORS

Prospective purchasers of any Securities should carefully consider the risk factors set forth below, as well as the other information contained elsewhere in this Offering Circular. The risks described below are not the only ones that may affect the Issuer, the Guarantor, the Group or the Securities. Additional risks and uncertainties which the Issuer or the Guarantor is not aware of or that the Issuer or the Guarantor currently believes are immaterial may also adversely affect the Group's financial condition or results of operations. If any of the possible events described below occur, the Group's financial condition or results of operations could be materially and adversely affected. In such case, the Issuer or the Guarantor may not be able to satisfy their respective obligations under the Securities, and investors could lose all or part of their investment. This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The Group's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors.

RISKS RELATING TO THE GROUP'S BUSINESS

The Group's business is subject to extensive laws and regulations in the markets in which the Group operates.

The Group's business is subject to extensive government regulations in all of the jurisdictions in which the Group operates. The Group must comply with various requirements mandated by laws and regulations, including the policies and procedures established by local authorities designed to implement such laws and regulations or guidance (including, but not limited to, state-owned assets administration, foreign investment industrial guidance catalogue and project construction, financing and operation administration) on the contract terms or requirements of infrastructure investments. If the Group fails to adapt its operations to new laws and regulations, the Group's business prospects, results of operations and financial condition may be materially and adversely affected.

The Group receives support from the PRC government and there can be no assurance that the Group will continue to receive such support in the future.

CCCG, the parent company of the Guarantor, is one of the state-owned key backbone companies directly owned by the central government, and the Group has received business and financial support from the PRC government. However, the Group has no control over the grant of subsidies or the policies governing the grant of government subsidies. There can be no assurance that the current government policies that are favourable to the Group will not change in the future and the Group will continue to obtain support from the PRC government. Any changes or withdrawal of support from the PRC government may have an adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's business is affected by the level of growth in the national and regional economies in the PRC, and the general level of activity and growth in the industries in which the Group operates.

The Group derives most of the revenue from the PRC. Thus, its business, financial condition, results of operations and prospects are closely tied to the economic performance of the national and regional economies in the PRC, as well as the vibrancy of the industries in which the Group operates. Fluctuations in economic growth, government expenditure, or investment levels in these sectors can directly impact the demand for the Group's services and its financial health. The infrastructure construction and design sector, where the Group has significant exposure, is particularly susceptible to such economic and policy shifts.

Adverse economic conditions, such as a slowdown or recession, could lead to decreased demand for the Group's developments, falling asset prices, and a contraction in infrastructure construction and design activities, thereby materially affecting the Group's revenues and profitability. Regional economic disparities could further lead to inconsistent performance across the Group's business sectors, complicating management and operational strategies. If the Group is unable to adapt swiftly to changing economic and market conditions or enhance its resilience against economic downturns, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

The Group receives payments in relation to construction projects in stages, and any delay or default in payments from its customers may affect the Group's working capital and cash flow.

Most of the Group's construction projects usually take years to complete and therefore, contracts with respect to the construction operations of the Group generally require its customers to make payments in stages upon the Group achieving project milestones as agreed between the parties. However, the Group incurs costs associated with a project, primarily materials, equipment and labour costs, on an on-going basis, before achieving the relevant project milestones. In the event that the customers delay in making or do not make payments to the Group pursuant to the payment terms in the relevant contracts, the Group bears the risk of not being able to recover the relevant costs and expenditures incurred by it on time or at all. In most cases, for the free maintenance period of a construction project (which typically lasts from one to two years), a portion of the contract value (typically of between five per cent. to ten per cent.) is withheld by its customer as retention money to be paid or released after the free maintenance period.

Events such as late payment settlement resulting from changes in the government's estimates or delayed progress payments or the inability to receive payment as scheduled may result in a large amount of trade receivables, bills receivables and receivables financing and may impact the Group's cash flow, particularly, as it has to expend resources in advance of payment. As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group's trade and bills receivables, net of provision, were RMB119,240 million, RMB140,905 million, RMB160,666 million and RMB160,281 million, respectively. The Group's turnover days of average trade and bills receivable, calculated by dividing the arithmetic mean of the opening and closing balances of trade and bills receivable for the relevant year by revenue and multiplying by 365 days (in the case of a full year) or 180 days (in the case of a half year) increased slightly from 55 days for the year ended 31 December 2023, to 62 days for the year ended 31 December 2024 and to 76 days for the year ended 31 December 2025, and increased to 87 days for the six months ended 30 June 2026. If the Group is not able to effectively control its level of trade and bills receivable and accounts receivable turnover days, its financial condition and results of operations could be materially and adversely affected.

Moreover, defaults in making payments to the Group on projects for which it has already incurred significant costs and expenditures can materially and adversely affect the Group's results of operations and reduce its financial resources that would otherwise be available to fund other projects. In general, the Group makes provisions for impairment of trade and bills receivables, including those relating to payments from customers on on-going or completed projects, where appropriate, based primarily on the period of delay of payment and other factors affecting the perceived likelihood of receivables collection. There is no assurance that the Group's customers will make payment in full on a timely basis or that the Group will be able to efficiently manage the level of bad debt arising from receipt of payments in stages, the failure of which could have a material and adverse effect on the Group's business, financial condition and results of operations.

The Group's businesses and expansion plans require substantial capital investment, and its prospects, financial condition and results of operations are subject to the availability of external financing as well as fluctuations in the costs of external financing.

The Group is the largest dredging enterprise in the world by total hopper storage capacity of its hopper fleet and total engine power of its cutter fleet and revenue according to the IHS International Dredging Directory, and an important platform for infrastructure construction, industrial design and dredging businesses of CCCG, which is one of the largest central SOEs in infrastructure construction and design in the PRC by revenue according to ENR. The Group's business is capital intensive as it requires significant capital to fund its construction, dredging and manufacturing activities, to build, maintain and operate its production and operation facilities and to purchase necessary machinery, production equipment and vessels. For the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, the Group's capital expenditure (which equals the additions to non-current assets other than long-term equity investments) was RMB42,898 million, RMB30,751 million, RMB36,521 million, RMB16,273 million and RMB14,358 million, respectively. Whilst the Group's capital expenditure has remained relatively stable during the abovementioned periods, there is no assurance that the Group's capital expenditure will not increase as the Group continues to expand and diversify its businesses. In addition, pursuant to some of the Group's construction contracts, the Group is required to pay costs and expenditures relating to projects prior to receiving sufficient payment from its customers to cover such costs and expenditures.

To the extent that the Group's funding requirements exceed its financial resources, the Group will be required to seek additional debt or equity financing or to defer planned expenditures. The Group has historically financed its working capital requirements and capital expenditures through a combination of internal cash flow from its operations and external financing, including bank and other borrowings, discounted bills as well as equity injection from its shareholders. As at 31 December 2025, the Group had unutilised credit facilities in the amount of RMB2,100,663 million. The Group also maintains a diverse panel of external financing providers, including various domestic large-scale commercial banks, trust companies and financial institutions. The Group's access to financial markets since its public offering in the Hong Kong Stock Exchange and the Shanghai Stock Exchange has provided additional financing flexibility. However, the Group's ability to obtain external financing in the future and the cost of such financing are subject to a variety of uncertainties, including:

- the condition of financial markets in particular, the credit market and the equity market;
- potential changes in monetary policies with respect to bank interest rates and lending policy;
- the Group's ability to obtain the PRC government approvals required to access domestic or international financing; and
- the performance of each business sector of the Group.

As at 31 December 2023, 2024 and 2025 and as at 30 June 2026, the Group had total borrowings (which represent the aggregate amount of short-term bank borrowings, long-term borrowings (including current portion due within one year), bonds payable (including current portion due within one year), short-term financing notes and lease liabilities (including current portion due within one year)) of RMB511,626 million, RMB586,323 million, RMB687,482 million and RMB837,401 million respectively, representing a gearing ratio (calculated by dividing the Group's net debt by total capital; net debt is calculated as total borrowings less cash and cash equivalent; total capital is calculated as equity plus net debt) of 47 per cent., 49 per cent., 54 per cent. and 58 per cent., respectively. Given the increase of the Group's financial leverage, any adverse change in the Group's cash flows from operating activities may weaken its financial condition and adversely affect its ability to repay its borrowings on a timely basis or to obtain external financing or credit on time or on terms acceptable to the Group. In particular, as at 30 June 2026, the Group's long-term borrowings with maturities of one year or less, one to two years, two to five years and more than five years amounted to RMB73,926 million, RMB64,158 million, RMB126,017 million and RMB276,342 million, respectively. If the Group is unable to obtain financing

on a timely basis or at a reasonable cost, the Group may not be able to undertake new projects or expand into new business areas and geographic markets, and its business, financial condition and results of operations could be materially and adversely affected.

Furthermore, if any member of the Group is unable to comply with the restrictions and covenants in its current or future debt and other agreements, there could be a default under the terms of such agreements. In the event of a default under such agreements, the holders of the debt could terminate their commitments to lend to any member of the Group, accelerate the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Some of the financing arrangements entered into by members of the Group may contain cross-acceleration or cross-default provisions. As a result, a default under one debt agreement may cause the acceleration of debt or result in a default under other debt agreements. If the Group incurs substantial additional indebtedness in the future or if any of the above default events occurs, there is no assurance that the Group's assets and cash flow would be sufficient to repay in full all of such indebtedness, or that the Group would be able to find alternative financing at all or on terms that are favourable or acceptable to it.

If the Group is unable to accurately estimate or control its costs or the scope of work the Group is required to perform, the Group's profitability could be adversely affected.

Some of the Group's contracts relating to its operations require the Group to complete a project for a pre-agreed fixed price or price per unit. As the Group is typically responsible for all of its own costs, its ability to make a profit on any project or product is largely dependent on the Group's ability to effectively control these costs. The amount of total costs the Group incurs on a project is influenced by a variety of factors, including climatic conditions, variations in labour and equipment productivity, costs over the term of a contract, changes in project scope or conditions, fluctuations in the price of raw materials and components and inability or delay in obtaining the requisite permits and approvals, many of which are beyond the Group's control. The Group may not be able to effectively manage its costs, and any unexpected increase in costs may lead to lower than expected profits, or even losses, which could materially and adversely affect the Group's business, financial condition and results of operations.

Some of the Group's construction contracts contain price adjustment clauses, which allow it to reclaim additional costs incurred as a result of unexpected increases in raw material costs. However, the Group is typically required to bear a portion of the increased cost. From time to time, the Group may be required to perform extra or "change order" work under its contracts despite the absence of prior agreements with its customers on the scope or price of the work to be performed. See "*– Risks Relating to the Industries in which the Group Operates – The Group is exposed to risks in connection with contracting with public bodies*". This process may result in disputes over whether the work performed is beyond the pre-agreed scope of work, or over the price the customer is willing to pay for the extra work. Even when the customer agrees to pay for the extra work, the Group may be required to fund the cost of such work for a lengthy period of time until the change order is approved and funded by the customer. In addition, any delay caused by the extra work may impact the progress of the projects and the Group's ability to meet specific contract milestones or deadlines. The Group may also incur extra costs due to unapproved construction change orders or contract disputes. There is no assurance that the Group will be able to recover the extra costs in full or at all, which may lead to business disputes, or may otherwise adversely affect its business, financial condition, results of operations and prospects.

The Group may be unable to continue to procure an adequate supply of raw materials and energy supplies on acceptable prices and quality in a timely manner.

Successful operations of the Group depend on its ability to obtain from its suppliers' sufficient quantities of raw materials, energy supplies and other commodities at acceptable prices and quality in a timely manner. The Group is exposed to the market risk of fluctuations in certain commodity prices for raw materials such as steel, cement, explosives, admixture, track materials, waterproofing materials, and other construction materials utilised in its infrastructure construction operations. For the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, the raw materials and consumables used amounted to RMB230,060 million, RMB223,914 million, RMB210,676 million, RMB85,713 million and RMB81,927 million, respectively. The price and availability of such raw materials may vary significantly from year to year due to factors such as the PRC's import restrictions, trade uncertainties consumer demand, producer capacity, market conditions and costs of materials. In particular, steel and cement, which are critical to the Group's operations, are subject to substantial pricing cyclicality and periodic shortages in the PRC. The Group is also affected by increases in energy prices, including electricity and fuel prices, for the operation of its machinery and equipment.

There is no assurance that the Group will be able to continue to obtain sufficient raw materials from its existing suppliers or from alternative sources at prevailing or acceptable prices, in a timely manner, or at all. There is no assurance that the Group will not encounter difficulties in obtaining quality materials or shortages of raw materials, or that the Group will be able to absorb any increase in raw material prices or pass them on to its customers.

The inherent hazardous nature of the Group's business exposes the Group to potential liabilities, which could harm its reputation and cause it to incur substantial costs.

Due to the nature of the Group's business, it engages or may engage in certain inherently hazardous activities, including operations at high-altitudes or in harsh geological conditions, tunnel construction, underground excavations, transportation, management and disposal of hazardous waste and other hazardous substances and materials and working with flammable and explosive materials. Despite compliance with the requisite safety requirements and standards, the Group is subject to the inherent risks of these activities, such as geological catastrophes, toxic gas, risk of equipment failure, industrial accidents, fire, explosion and failure of employees to follow proper safety procedures. These hazards may result in personal injury and loss of life, damage to or destruction of properties and equipment, and environmental damage and pollution, any of which could result in damage to the Group's business reputation and corporate image, suspension of its operations and imposition of civil or criminal penalties.

In addition, many of the Group's contracts provide for various deadlines. If the Group fails to meet these deadlines on a project, it may be responsible for the payment of liquidated damages. It may also face liabilities associated with the subsequent use by its customers or third parties of facilities it has constructed or equipment it has sold, after the completion of its projects. The Group normally seeks to limit exposure to such claims through contractual limitations of liability, indemnities from its customers, subcontractors and suppliers, and insurance as part of its risk management strategy. However, such measures may not offer sufficient protection and may be limited by various factors outside the Group's control, including:

- in some of the jurisdictions in which the Group operates, including the PRC, environmental and workers' compensation liabilities may be assigned to the Group as a matter of law and may not be limited through contracts;

- customers and subcontractors may not have adequate financial resources to satisfy their indemnity obligations to the Group;

- losses may arise from risks not addressed in the indemnity agreements; and

- insurance coverage of the Group may not be sufficient because it may not be possible to obtain adequate insurance against some risks on commercially reasonable terms, or at all.

Additionally, the occurrence of any of these risks could damage its reputation and relationship with regulators and other customers, which may materially hinder the Group's chance to win tenders for new projects.

The Group's insurance policies may not be sufficient.

Although the Group maintains insurance coverage in amounts that the Group believes are consistent with its risk of loss and the customary practice in the relevant industries, there is no assurance that the insurance taken on by the Group is sufficient and there may be circumstances where the Group is not fully covered by insurance policies. Moreover, the Group may not be able to obtain insurance against some risks on commercially reasonable terms, or at all. Failure to effectively cover the Group against these risks could expose the Group to substantial costs and potentially lead to significant losses.

The Group's backlog may not be indicative of its future results of operations.

In this Offering Circular, the Group has provided contract backlog figures that represent its estimate of the total contract value of work that remained to be completed pursuant to the terms of outstanding contracts as at a certain date. Backlog is not a measure defined by generally accepted accounting principles and backlog may not be indicative of future operating results. The Group's methodology for determining backlog also may not be comparable to the methodologies used by other companies in determining their backlog.

As at 30 June 2026, the backlog of the Group amounted to RMB3,216,563 million. However, this figure is based on the assumption that the relevant contracts will be performed in full in accordance with their terms. The Group's construction contracts may be subject to project cancellation or change of order by the customer or other force majeure events which may affect the progress of the project. Such cancellations or change of order of, or a force majeure event affecting, any one or more sizeable contracts may have a substantial and immediate effect on the backlog of the Group.

In addition, projects may also remain in the Group's backlog for an extended period of time. There is no assurance that the amount estimated in the Group's backlog will be realised in a timely fashion, or at all, or that, even if they are realised, will result in profits. As a result, investors should not unduly rely on the Group's backlog information presented in this Offering Circular as an indicator of the future earnings of the Group.

Any failure to complete the projects on time or to applicable standards could adversely affect the Group business.

The Group's success heavily relies on its ability to complete its projects on schedule and in accordance with all applicable quality standards and regulations. Delays may occur due to a variety of factors, including but not limited to, unforeseen construction challenges, supply chain disruptions, regulatory changes, or difficulties in obtaining necessary approvals or financing. Additionally, failing to meet the required construction standards or regulatory compliances can lead to significant rework, legal penalties, and/or reputational damage.

Inability to complete projects on time or to required standards may result in escalated costs, eroded profit margins, and potential disputes or litigations with clients and contractors. Such occurrences could materially and adversely affect the Group's business, financial condition and results of operations, diminish its market standing and/or impact its ability to attract future projects and secure relevant financing.

Any failure to maintain an effective quality control system could have a material adverse effect on the Group's business and operations.

The quality of the services that the Group provides and the products that the Group trades is one of the factors critical to its success. In order to sustain such success, the Group needs to continue to maintain an effective quality control system for its businesses. The effectiveness of its quality control system depends significantly on a number of factors, including a timely update of the quality control system to suit ever-changing business needs, training programmes as well as the Group's ability to ensure that its quality control policies and guidelines are adhered to. Any failure or deterioration of its quality control system could result in defects in the Group's services, which in turn may jeopardise its reputation, reduce demands for its services or even subject the Group to contractual or product liabilities and other claims. Any such claims, regardless of whether they are ultimately successful, could cause the Group to incur significant costs, harm its reputation and/or result in significant disruption to its operations. Furthermore, if any of such claims were ultimately successful, the Group may be required to pay substantial monetary damages or penalties, which could have a material adverse impact on its business, financial condition and results of operations.

The Group employs independent third-party subcontractors to provide certain services for its projects, which may expose the Group to reputation and litigation risks.

The Group may outsource to independent third-party subcontractors to provide certain services for its projects. However, qualified subcontractors may not always be readily available when the Group's needs for subcontractors arise. If the Group is unable to hire qualified subcontractors, the Group's ability to take on additional projects or complete its current projects on time could be impaired. In addition, if the cost for subcontractors rises, the Group's profitability may be affected, particularly to the extent such increase causes its costs to exceed what the Group has estimated in fixed-price or fixed-unit-price type contracts with its customers.

In addition, the Group may not be able to monitor the performance of its subcontractors as directly and efficiently as for its own staff. Outsourcing exposes the Group to risks associated with non-performance, delayed performance or sub-standard performance by subcontractors. As a result, the Group may experience deterioration in the quality or delivery of its relevant construction projects, incur additional costs due to the delays or at a higher price in sourcing the services, equipment or supplies in default, or be subject to liability under the relevant contract for its subcontractors' performance. Such events could impact upon its profitability, financial performance and reputation, and result in litigation or damage claims.

The Group's failure to adequately protect its intellectual property rights or any infringement claims brought by third parties against the Group may have an adverse effect on the Group's business, financial condition and results of operations.

The Group relies on patents, trademarks, copyrights, construction methods and contractual rights to protect its intellectual property. As at 30 June 2026, the Group accumulatively participated in the compilation of 196 national standards and 572 industry standards that have been promulgated, and had a total of 47,098 valid patents. CCCC, CHEC and CRBC are major brands in the infrastructure construction and design and dredging industries. The Group believes that its portfolio of internationally-renowned brands has been critical to its competitiveness and success. The Group has also developed numerous advanced systems, trade secrets, know-how, processes, technologies and other intellectual property that have enhanced its operational efficiency and enabled the Group to maintain its competitiveness. In addition, the legal regime governing intellectual property rights in the PRC is still evolving and the level of protection of intellectual property rights in the PRC may differ from those in other jurisdictions. In the event that the steps the Group has taken and the protection provided by law do not adequately safeguard its intellectual property rights, the Group could suffer losses due to the provision or the sale of competing services or products by others which exploit its intellectual property rights.

In addition, there can be no assurance that any of the Group's intellectual property rights will not be challenged, misappropriated or circumvented by third parties, or that the Group's competitors will not independently develop alternative technologies that are equivalent or superior to the Group's proprietary technologies. The Group may also be subject to claims for infringement of patents, trademarks or other intellectual property rights of others. Defending or otherwise dealing with any infringement claim, whether with or without merit, could be time-consuming, result in costly litigation or damages, undermine the value of the Group's brands and trademarks, reduce sales and/or require the Group to enter into royalty or licencing agreements that may not be on commercially acceptable terms.

The Group's business may be adversely affected if it is unable to secure and retain qualified personnel for its operations.

The Group's operations depend upon its ability to attract and retain experienced and qualified personnel, including executive officers and key technical personnel, who have the necessary and required experience, knowledge and expertise. Competition for qualified personnel is intense in the PRC and other markets where the Group operates its business, with the PRC dredging industry in particular being short of experienced dredging technicians and dredging operators. The Group may lose these persons to those competitors who are able to offer more competitive packages. The Group may have to significantly increase its related staff costs to remain competitive.

It is expected that, in order to comply with applicable construction regulations and to complete the construction projects on time and within budget, the Group will have to continue to train its employees and require additional qualified professionals. Demand for employees who have industry-related experience and expertise will increase as customers of the Group increase their capital expenditure and the use of the Group's services. To the extent the Group is unable to recruit personnel with the necessary skills locally, the attention of its management could be diverted. If the Group cannot recruit, train and retain the qualified personnel necessary to execute its contracts or to perform necessary corporate activities, its business operations may be adversely affected. In addition, failure to attract and retain personnel with suitable managerial, technical or marketing expertise may result in the Group's non-compliance with applicable construction regulations and the inability to prevent misappropriation of its technology or maintain its client contacts.

There can be no assurance that the Group will be able to maintain an adequate skilled labour force necessary for it to execute its business or to perform other corporate activities, nor can the Group guarantee that staff costs will not increase as a result of a shortage in the supply of skilled personnel. If the Group fails to attract and retain personnel with suitable managerial, technical or marketing expertise or maintain an adequate labour force on a continuous basis, its business and operations could be adversely affected and its future growth and expansions may be inhibited.

The Group is subject to rising costs for labour which may not be able to be passed on to construction contractors, sub-contractors or to purchasers.

Wages for construction workers have substantially increased in recent years. Under the terms of most of the Group's construction contracts, contractors or sub-contractors may adjust the contract prices to cover increases in wages. The Group may not be able to complete its projects as it originally budgeted when it submitted its tender to undertake the project. Even if the Group's construction contracts are fixed-price contracts with price-adjustment terms, the price-adjustment terms may not be sufficient to cover cost overruns from inflation and the Group may not be able to achieve matching fixed-price contracts with its sub-contractors. Rising costs may materially and adversely affect the results of operations of the Group.

Any acquisitions or strategic investments the Group undertakes may not be successful or may not achieve the Group's anticipated economic results or commercial viability and may negatively impact the results of operations and financial condition of the Group.

The Group has acquired, been in the process of acquiring and may in the future acquire other businesses or companies whose assets, capabilities and strategies the Group believes are complementary to and are likely to enhance or expand its business operations. Acquisitions and strategic investments involve numerous risks, including those relating to market conditions, policies and regulations of the PRC and other relevant jurisdictions, potential financing pressures, difficulties in retaining and assimilating personnel and integrating the operations and corporate culture of the acquired business, diversion of management's attention and other resources, insufficient or lack of experience and knowledge in the industry and market in which the acquired business operate and availability of technology.

The Group may not be able to identify suitable targets for acquisition or strategic investment. Extensive pre-feasibility studies on potential acquisition or strategic investment may require significant capital outlays and may not ultimately be implemented or generate any profits. Even if the Group does identify suitable targets for acquisition or strategic investment, it may not complete those transactions on terms commercially acceptable to the Group or at all, or it may fail to obtain the required governmental and other approvals for such acquisitions or strategic investments. Moreover, actual costs for acquisition or strategic investment of the Group may exceed its original budgets due to reasons such as delays in schedule, increases in funding costs and changes in original acquisition or investment plan. Acquisitions or strategic investments may result in the incurrence and inheritance of debts and other liabilities, assumption of potential legal liabilities in respect of the acquired business or investments, and incurrence of impairment charges relating to goodwill and other intangible assets, any of which could harm the financial condition and results of operations of the Group. As a result, there can be no assurance that the Group will be able to achieve the objective of any acquisition or strategic investment, the desired level of operational integration or its investment return target.

The Group may face unexpected difficulties in expanding into new industries and markets.

To improve the Group's profitability and diversify potential risks, the Group has been growing its operations in industries and markets with potential for deriving favourable returns, including infrastructure construction, railway construction and other municipal engineering projects, both in the PRC and abroad. Expansion in these industries and markets carries with it many associated risks, including risks related to lack of operating experience in such industries and markets and lack of experienced management and employees to staff such expansion. Expansion may also place excessive pressure on the Group's financial, human and management resources that are otherwise available for the Group's current businesses. In addition, there might be many established incumbent players in these new markets who already enjoy significant market shares and competitive market positions, and it may be difficult for the Group to win market share from them. Some of the overseas markets that the Group is targeting may have high barriers of entry to foreign players. There can be no assurance that the Group's expansion plans will be successful.

The Group's corporate structure, which consists of a large number of companies in multiple business sectors, exposes it to challenges to integrate and manage its business.

The Group consists of portfolio companies operating in multiple industries and has grown rapidly in its business scale and geographical coverage in recent years. Due to the diverse characteristics of the Group's portfolio companies, the Group is exposed to business, market and regulatory risks relating to different industries. It needs to devote substantial resources to monitor changes in different operating environments so that it can react with appropriate strategies that fit the needs of the portfolio companies affected. As the Group continues to grow through acquisitions of businesses in an increasing number of industries across various jurisdictions, its operations will become more widespread and complex and project management may become more difficult, which could in turn result in management risks. Successful operation of the Group requires an effective management and internal control system that emphasises proper authorisations, reliability and accountability of financial reporting, imposes financial and internal control disciplines on portfolio companies, and creates value-focused incentives for management. In particular, it will become increasingly difficult for the Group to direct and monitor the day-to-day operations of its businesses and to prevent or detect any fraud and protect the Group's assets, both physical and intangible.

The Group has interests in a number of non-wholly-owned subsidiaries and affiliates and may not be able to fully control their actions. Such arrangements necessarily involve special risks associated with the possibility that the other shareholders or project partners may (i) have economic or business interests or goals that are inconsistent with or opposed to those of the Group, (ii) exercise veto rights so as to block actions that the Group believes to be in the Group's or the entity's best interests, (iii) take actions that are contrary to the instructions, requests, policies or objectives of the Group, or (iv) as a result of financial or other difficulties, be unable or unwilling to fulfil their obligations under the relevant project or shareholders' agreements. There is no assurance that such other shareholders or project partners will not exercise their veto power or influence over any of the Group's non-wholly-owned subsidiaries and affiliates in a way which may hinder the Group's corporate objectives.

The Guarantor is ultimately controlled by CCCG.

As at 30 June 2026, CCCG, which is wholly owned by SASAC, held approximately 59.99 per cent. of the shares of the Guarantor. CCCG will continue to have the ability to exercise a controlling influence over the Guarantor's business and may cause the Guarantor to take actions that are not in, or may conflict with, the interests of the Securityholders. These include matters relating to its overall operational and financing strategies and policies, timing and amount of dividends or other distributions, securities issuances, mergers, consolidations and the sale of all or substantially all of its assets, election of its directors and supervisors and other significant corporate actions.

Possible effect on the Group's tax burden following the changes in tax incentives and adverse effect on the Group's financial condition and results of operations.

The Group has enjoyed tax incentives, which vary depending on the location or nature of the Group's operations in China. Pursuant to the Enterprise Income Tax Law (中華人民共和國企業所得税法) ("**EIT Law**") which took effect on 29 December 2018 and the implementation rules which took effect on 20 January 2025, the maximum corporate income tax rate in China has been 25 per cent.. However, a few of the Group's subsidiaries are entitled to preferential tax treatment, which allows them to enjoy a lower effective tax rate of 15 per cent. In addition, the Group also enjoys certain tax concessions on research and development costs. There can be no assurance that the preferential tax rates the Group's subsidiaries have enjoyed will be extended after the expiration of the current preferential tax period under the applicable PRC tax laws and policies, or that they will not be modified or revoked in the future. If these tax incentives are modified or revoked, the Group's results of operations may be adversely affected.

On 23 March 2016, the Ministry of Finance (the "**MOF**") and the State Administration of Taxation issued the Circular of Full Implementation of Replacing Business Tax with Value-Added Tax Reform (Caishui [2016] No. 36) (關於全面推開營業税改徵增值税試點的通知, the "**Circular 36**"), which introduced a new value-added tax ("**VAT**") from 1 May 2016. On 25 December 2024, the National People's Congress of the PRC (the "**NPC**") issued the new Value-added Tax law (中華人民共和國增值税法) (the "**New VAT Law**"), which is effective on 1 January 2026. Pursuant to the New VAT Law, VAT is applicable where the entities or individuals provide services within the PRC. The revenues generated from the taxable sale of services by entities and individuals shall be subject to PRC VAT, if the seller of the services is within the PRC or the services is consumed within the PRC (including services provided to the entities or individuals located within the PRC by the entities or individuals outside of the PRC, but excluding services consumed on-site outside the PRC). As the Group is involved in diversified industries, VAT rate varies from 3 per cent. to 13 per cent. For cross-border taxable behaviour, such as offering construction service for oversea projects, the Group may be exempt from paying value-added tax. The New VAT Law, Circular 36 together with other laws and regulations pertaining to VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties.

The Group's business, financial condition and results of operations may be affected by adverse weather conditions, natural disasters, acts of war and terrorist attacks.

Adverse weather conditions, such as extreme cold weather, snow, typhoons, flooding and heavy or sustained rainfall and natural disasters such as earthquakes, landslides or mudslides, may prevent the Group from conducting its activities or otherwise affect its productivity, preventing the Group from completing its projects on schedule, delaying its receipt of payment and possibly causing the Group to incur increased operating expenses. The Group's dredging operations are also subject to seasonal variations due to weather conditions, as its ability to operate may be adversely affected if the harbours or bodies of water in which its dredging operations are carried out freeze over. As the Group may not be able to receive full compensation of losses suffered as a result of adverse weather conditions or natural disasters under its construction and dredging contracts, climatic conditions that are unusually severe or intense and occur at abnormal times or last longer than usual could therefore have a material adverse effect on the Group's business, financial condition and results of operations. Adverse weather conditions and potential natural disasters associated with global climate change, such as more frequent and intense storm events and flooding incidents, may amplify the physical risks to which our operations may ordinarily be exposed. Moreover, natural disasters and other acts of God which are beyond the control of the Group may adversely affect the economy, infrastructure and communities in the countries and regions in which it has operations.

Acts of war and terrorist attacks, including those in foreign countries in which the Group has overseas operations, may cause damage or disruption to the Group, its employees, subcontractors, operations, equipment and facilities, as well as to its markets, any of which could impact its public image, turnover and cost of sales. The potential for war or terrorist attacks may also create uncertainty and cause its business to suffer in ways that the Group cannot currently predict. Any of these will have a material and adverse effect on the Group's business, results of operations and financial condition.

The Group faces litigation risks in the course of its business.

In the ordinary course of the Group's business, claims from project owners, customers, subcontractors, project partners and other parties may be brought against the Group or by the Group in connection with its contracts from time to time. Claims may be brought against the Group for alleged defective or incomplete work, liabilities for defective products, related personal injuries and death, damage to or destruction of property, breaches of warranty and late completion of the project, and such claims can involve actual damages and liquidated damages. Provision has been made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits taking into account of the legal advice received by the Group. In addition, the Group is involved in disputes, litigations or claims with customers, subcontractors, suppliers and others in the ordinary course of business. After consulting relevant legal advisors and upon careful estimation by management of the outcome of these pending disputes, litigations or claims, provisions have been made accordingly for those disputes, litigations or claims that are probable to result in a loss to the Group. As at 30 June 2026, the contingent liabilities arising from pending litigation or arbitration amounted to RMB5,796 million, representing an increase from RMB4,743 million as at 31 December 2025. If the Group was found to be liable under any proceedings, the Group would have to incur a charge against earnings to the extent a reserve had not been established for the matter in its accounts, or to the extent the claims were not sufficiently covered by its insurance. Claims brought by the Group against project owners may include claims for additional costs incurred in excess of current contract provisions arising out of project delays and changes in the initial scope of work. Claims between the Group and its subcontractors and vendors may include claims similar to those described above.

Both claims brought against the Group and by the Group, if not resolved through negotiation, are often subject to lengthy and expensive litigation or arbitration proceedings which could also be disruptive to the Group's normal business operations. The results of these legal proceedings are often difficult to predict and the amounts ultimately realised from project claims by the Group could differ from the balances included in the Group's financial statements. Moreover, legal proceedings resulting in judgments or findings against the Group may harm its reputation, cause economic losses and damage its prospects for future contract awards. Such claims could therefore have a material and adverse impact on the Group's financial condition, results of operations and cash flow. See "*Description of the Group – Legal Proceedings*".

The Group may not be able to detect and prevent fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties.

The Group may be exposed to fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties that could subject it to litigation, financial losses and sanctions imposed by governmental authorities, which will in turn affect its reputation. These misconducts could include:

- hiding unauthorised or unsuccessful activities, resulting in unknown and unmanaged risks or losses;
- intentionally concealing material facts, or failing to perform necessary due diligence procedures designed to identify potential risks, which are material to the Group in deciding whether to make investments or dispose of assets;
- improperly using or disclosing confidential information;
- engaging in improper activities such as offering bribes to counterparties in return for any type of benefits or gains;
- misappropriation of funds;
- conducting transactions that exceed authorised limits;

- engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities;
- engaging in unauthorised or excessive transactions to the detriment of the Group's customers; or
- otherwise not complying with applicable laws or the Group's internal policies and procedures.

The Group's internal control procedures are designed to monitor its operations and ensure overall compliance. However, such internal control procedures may be unable to identify all incidents of non-compliance or suspicious transactions in a timely manner if at all. Furthermore, it is not always possible to detect and prevent fraud and other misconduct, and the precautions the Group takes to prevent and detect such activities may not be effective in all cases. There is no assurance that fraud or other misconduct will not occur in the future. If such fraud or other misconduct does occur, it may cause negative publicity and damage to the public image of the Group.

The Group's offshore operations are subject to economic and political uncertainties in overseas markets.

The Group has been expanding its operations in overseas countries and regions. As at 30 June 2026, the Group conducted its business in 139 countries and regions, with major overseas business in Australia, Hong Kong, Africa, the Middle East and Southeast Asia. For the year ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, RMB115,936 million, RMB134,780 million, RMB159,045 million, RMB68,141 million and RMB88,944 million, or 15.3 per cent., 17.5 per cent., 21.9 per cent., 20.2 per cent. and 26.7 per cent. of the Group's total revenue, was generated from its overseas operations, respectively. The Group's business is therefore subject to changing international economic and political conditions, and local conditions of countries in, among others, Australia, Africa, the Middle East and Southeast Asia, where political and economic conditions may be subject to uncertainty. The Group expects a steady increase in the revenue and profits derived from its overseas projects in the foreseeable future. As a result of its overseas operations, the Group is exposed to various risks associated with conducting business in foreign countries and regions that include, among other factors:

- political risks, including risks of loss due to civil unrest, acts of terrorism, acts of war, other armed conflict, regional and global political or military tensions, strained or altered foreign relations and trade and economic sanctions;
- economic, financial and market instability and credit risks, including those relating to potential deterioration of the credit markets and other economic conditions in other countries;
- abrupt changes in foreign government regulations or policies;
- expropriation and nationalisation of its assets in foreign countries;
- natural disasters;
- inflation;
- unfamiliarity with local operating and market conditions, which could result in unfavourable consequences such as inaccurate bidding prices for projects;
- lack of understanding of local construction, taxation, labour, customs and other laws, regulations, standards and other requirements;
- risks and uncertainties associated with using foreign workers and subcontractors in connection with the Group's overseas operations, including adverse labour conditions or strikes;
- preferential treatments or corrupt business practices;

- tax increases, confiscatory taxation or other adverse tax policies;
- trade protectionism, trade restrictions or embargoes;
- currency value fluctuations and conversion restrictions;
- governmental activities that limit or disrupt markets, restrict payments or limit the movement of funds;
- government activities that may result in the deprivation of contract rights;
- government activities that may result in the inability to obtain or retain licences required for operations;
- competition from other international large-scale construction companies;
- adverse labour conditions;
- negative media and investor attention to the Group;
- cyclical nature and demand of international construction markets; and
- lack of a well-developed or independent legal system in the foreign countries in which the Group has overseas operations, which may create difficulties in the enforcement of contractual rights.

For example, in August 2020, the Guarantor and certain of its subsidiaries (the "**BIS Entities**") were added to the Entity List maintained by the U.S. Department of Commerce's Bureau of Industry and Security (the "BIS"). As a result of such designation, additional license requirements have been imposed on exports, reexports and transfers (in-country) of all items subject to U.S. Export Administration Regulations to any of the BIS Entities. The BIS also imposed a license review policy of "presumption of denial" for all BIS Entities. In addition, the Guarantor has been added to the Non-SDN Chinese Military-Industrial Complex Companies List (the "**NS-CMIC List**") published by the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") pursuant to U.S. Executive Order 13959, as amended by Executive Order 14032. As a result, U.S. Persons may not be able to invest in the Guarantors' publicly traded securities. See "*– Risks Relating to the Guarantee and the Securities – Restrictions on Investors who are considered U.S. Persons for purposes of Executive Order 13959 or the CMIC Sanctions Regulation.*"

As the Group's overseas operations are susceptible to changes in the overseas countries' respective local economic, political and regulatory environments as well as changes in global economy, a variety of factors, many of which are beyond the control of the Group, could significantly affect the profitability and growth of these operations. Any slowdown of the global economy could result in reduced infrastructure development which could in turn affect the Group's overseas operations. In addition, the Group may be required to deploy management resources and personnel to high-risk areas where its overseas projects are located. As such, the Group may incur substantial costs to implement safety and security measures to protect its personnel and assets. Such measures may not always be adequate. The Group's level of exposure to certain risks varies with respect to each project, and is dependent on the particular work stage of each project. Any of the above factors could lead to, amongst others, project disruptions, losses of personnel and assets and other indirect losses, which could harm its international business operations, overall financial condition and profitability.

Government control of currency conversion and exchange rate fluctuations may adversely affect the operations and financial results of the Group.

Most of the Group's operations are located in the PRC, and most of the Group's income and costs are denominated in Renminbi, which is the functional currency of a majority of the entities within the Group. While most of the Group's transactions are settled in Renminbi, the Group uses foreign currencies to settle the Group's invoices from overseas operations, the Group's purchases of machinery and equipment from overseas suppliers and certain expenses. In addition, the Group generates revenue from certain construction contracts denominated in foreign currencies and the Group's borrowings are primarily denominated in Renminbi and U.S. dollars, and to a lesser extent, Euro, Japanese Yen and Hong Kong dollars. The Group is therefore subject to risks associated with foreign currency fluctuations and changes in the value of foreign currencies could affect the Group's results of operations. Changes in the value of foreign currencies could increase the Group's Renminbi costs for, or reduce the Group's Renminbi turnover from, its foreign operations, or affect the prices of its exported products and the prices of its imported equipment and materials, any of which could materially and adversely affect the Group's results of operations.

Under the existing PRC laws and regulations on foreign exchange, payments of current account items, including profit distributions, interest payments and trade and service related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE provided that certain procedural requirements are complied with. Approval from or registration with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of the PRC to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may, at its discretion, take measures to restrict access to foreign currencies for current account and capital account transactions under certain circumstances. If the foreign exchange control system prevents the Group from obtaining sufficient foreign currencies to satisfy the Group's foreign currency demands, the Group may not be able to pay interests and/or principal to the holders of its foreign currency denominated debt, if any. In addition, there can be no assurance that new laws or regulations will not be promulgated in the future that would have the effect of further restricting the remittance of Renminbi into or out of the PRC.

The value of Renminbi against the U.S. dollar and other foreign currencies is subject to changes in the PRC's policies, as well as international economic and political developments. On 21 July 2005, the PRC government adopted a more flexible managed floating exchange rate system to allow the value of Renminbi to fluctuate within a regulated band that is based on market supply and demand with reference to a basket of currencies. From 21 July 2005 to 17 March 2014, the floating band of interbank spot foreign exchange market trading price of Renminbi against the U.S. dollar was gradually widened from 0.3 per cent. to 2 per cent. On 11 August 2015, the People's Bank of China ("**PBOC**") adjusted the mechanism for market makers to form the central parity rate by requiring them to consider the closing exchange rate of the last trading date, the supply and demand of foreign exchange and the rate change at primary international currencies. On 11 December 2015, the China Foreign Exchange Trade System, a sub-institutional organisation of PBOC, published the China Foreign Exchange Trade System (CFETS) Renminbi exchange rate index for the first time which weighs the Renminbi based on 13 currencies, to guide the market in order to measure the Renminbi exchange rate from a new perspective.

In addition, the value of Renminbi depreciated significantly against the U.S. dollar following the announcement by PBOC on 11 August 2015. In January and February 2016, Renminbi experienced further fluctuation in value against the U.S. dollar. There can be no assurance that the Renminbi will not experience significant depreciation or appreciation against the U.S. dollar or against any other currency in the future. Furthermore, the Group is required to obtain SAFE's approval before converting significant amounts of foreign currencies into Renminbi. As a result, any significant fluctuation in the value of Renminbi against foreign currencies may adversely affect the Group's business, prospects, financial condition and results of operations.

Some of the Group's operations are less profitable, and the Group may not be able to continue developing new operations that generate higher levels of profit in the future.

Some of the Group's infrastructure construction projects, such as some of the conventional construction projects and public infrastructure projects, are less profitable than the Group's other businesses. The Group is often affected by government policies when it undertakes major public infrastructure construction projects. As public spending on such projects may be restricted due to governmental policies on public spending, profits generated from these projects may be limited. In addition, the Group may from time to time undertake various landmark projects involving high costs, high precision requirements, tight construction schedules and substantial capital investments, as well as the need to acquire new, expensive machinery and equipment, which collectively lead to increased costs and funding requirements. The undertaking of low-profit projects may expose the Group to short-term losses and could adversely affect its profit-generating abilities. The Group's efforts to oversee cost management, make improvements to its technology and develop new operations to increase its profitability may not be successful.

Furthermore, the Group may not be able to continue developing new projects with high profit margins. For example, the Group plans to capture the opportunities created by favourable market conditions to continue to expand its operations in real estate development, with an emphasis on residential real estate development. The PRC Government has in recent years taken various measures to regulate the property market. There is no assurance that the Group's strategic plan will be successful.

The development and utilisation of new technology may not always produce positive results.

The Group is often engaged to undertake large, complicated projects that require it to design and develop new technologies and construction methods in light of its strong research, design and development capabilities. There can be no guarantee that the Group would always successfully develop these new technologies and construction methods after substantial resources have been invested by the Group. The use of new technologies and construction methods could also result in experimental failures, increased costs, unstable conditions, affecting the profitability of some of its projects, which could materially and adversely affect the business and results of operations of the Group.

The Group's infrastructure investment and operation projects may expose the Group to additional risks.

The Group is involved in and plans to continue exploring opportunities in projects involving ownership and operation of the infrastructure in both domestic and international markets, which mainly include construction projects by way of build-and-transfer ("**BT**") and build-operate-transfer ("**BOT**") models. The nature of infrastructure investment and operation projects requires the Group to fund the project upfront and make payments to suppliers and subcontractors. Also, some infrastructure projects and investments typically have long payback periods. In undertaking infrastructure investment and operation projects, the Group may be exposed to payment delays or default of payment. The risks in connection with undertaking infrastructure investment and operation projects include the risk of an inaccurate forecast concerning cash inflows to be derived from the completed projects and the risks arising during the operational phase of such projects. Investment by the private sector in these projects is dependent on government policies and laws and regulations relating to public and private participation and the sharing of risks and returns of such projects. Undertaking infrastructure investment and operation projects also requires significant outlay of the Group's working capital over extended periods. Moreover, the introduction of infrastructure investment and operation projects in China's infrastructure construction industry is relatively recent, and the Group has limited management experience in carrying out and managing the risks involved in such projects. There is no assurance that the Group will be able to successfully and profitably carry out infrastructure investment and operation projects. Any inability to execute or handle such projects may adversely affect the Group's business and results of operations.

In addition, laws in the PRC in respect of the BT and BOT models are relatively new and still evolving. The level of protection and means of enforcement of contractors' rights in the PRC may differ from those in other jurisdictions. Enforcement of the Group's rights as contractor under the BT and BOT models could be costly. In circumstances where the Group is not paid for the construction, expenditures and financing costs and the Group initiates legal actions against the proprietor for the payments, the legal procedures can be lengthy and costly and the Group may not be fully compensated, or at all.

The Group is subject to a high degree of financial leverage, which could adversely affect the Group's financial position.

The Group is subject to a high degree of financial leverage as it has relied upon both short-term and long-term borrowings to fund a portion of its capital expenditures and operations and expects to continue to do so in the future. As at 31 December 2023, 2024 and 2025 and as at 30 June 2026, the Group had total borrowings of RMB511,626 million, RMB586,323 million, RMB687,482 million and RMB837,401 million, respectively, representing a gearing ratio of 47 per cent., 49 per cent., 54 per cent. and 58 per cent., respectively.

The Group's substantial indebtedness may affect its ability to secure additional funding for various projects, including current and future projects. A shortage of such funds could cause serious consequences, including but not limited to: imposing limitations on the Group's ability to repay outstanding debt; making it more vulnerable to adverse economic and industry conditions; forcing the Group to dedicate a substantial portion of cash flow from its operations to service and repay its debts, thereby reducing its cash flow available for working capital, capital expenditures and other general corporate purposes; limiting its flexibility in planning for or reacting to the changes in the Group's businesses and the industry; causing it to be less competitive as compared to its competitors that have less debt; and limiting its ability to borrow more funds in the future and/or increasing the Group's financing costs. The Group's ability to meet its payment and other obligations under its outstanding debt depends on the Group's ability to generate cash flows in the future or to refinance such debt. There is no assurance that its business will generate sufficient cash flows from operations to satisfy its obligations under the Group's outstanding debt and to fund other liquidity needs. If the Group is not able to generate sufficient cash flows to meet such obligations, the Group may need to refinance or restructure its debt, reduce or delay capital investments, or seek additional equity or debt financing. A shortage of financing could in turn impose limitations on the Group's ability to plan for, or react effectively to, changing market conditions or to expand through organic and acquisitive growth, thereby reducing the Group's competitiveness. There is no assurance that future financing will be available in amounts or on terms acceptable to it, if at all.

Further, the Group has entered into guarantee agreements or loan agreements as a co-borrower for bank borrowings made by subsidiaries, joint ventures and certain third party entities. Pursuant to the terms of these agreements, upon default in loan repayments by the customer, the banks are entitled to ask for early repayments and the Group as a co-borrower can be liable to repay the outstanding principal together with accrued interest. In the event that the customer(s) under such arrangements do not comply in a timely manner with their payment obligations, the Group will bear the risk of becoming liable for such payments.

The Group's financing costs are subject to changes in interest rates.

As the Group relies on borrowings to fund a portion of its capital expenditures and operations, it is exposed to interest rate risk. As at 30 June 2026, the Group's borrowings at floating rates were mainly denominated in RMB, U.S. dollar, Euro and Hong Kong dollar. As at 30 June 2026, the Group's borrowings of RMB455,832 million were at floating rates. As at 30 June 2026, the applicable rates of the Group's certain borrowings are determined by adjusting certain base points from the latest loan prime rate published by the National Interbank Funding Centre. In recent years, the PBOC has adjusted the benchmark of one-year lending rate several times. There can be no assurance that the PBOC will not raise lending rates in the future, and any increase in these rates will increase the Group's financing cost and may materially and adversely affect the Group's business, financial condition and results of operations.

The Group is exposed to equities securities price risk.

The Group is exposed to equity securities price risk because of investments held by the Group and classified in the consolidated statement of financial position either as equity investments designated at fair value through other comprehensive income or as other financial assets at fair value through profit or loss.

The Guarantor's historical financial statements may not be directly comparable.

The Guarantor's 2026 Interim Financial Statements as included in this Offering Circular has been prepared under PRC GAAP, while the Guarantor's 2024 Financial Statements and the Guarantor's 2025 Financial Statements, each as included in this Offering Circular, were prepared under IFRS, and these financial statements may not be directly comparable. Although the Guarantor has stated that PRC GAAP and IFRS have largely converged and that the move to a single PRC GAAP reporting framework will not have any material impact on its results or financial position, the two frameworks remain different in certain respects. See "*Summary of Certain Differences between PRC GAAP and IFRS*" for a description of certain differences between the two accounting standards. As a result, investors may find it more difficult to compare the Guarantor's financial performance, financial position and cash flows across periods or against other issuers that report under IFRS or other accounting standards, which could affect their investment decisions and the market value and trading price of the Securities.

RISKS RELATING TO THE INDUSTRIES IN WHICH THE GROUP OPERATES

The Group's business is largely dependent on the level of the PRC government's spending on transportation and other infrastructure.

The Group's business largely depends on continuing spending by the relevant PRC government agencies to build public transportation infrastructure, including ports, roads, highways, bridges, railways, tunnels and other municipal engineering projects. The Group's dredging business is also largely dependent on the PRC government's spending on transportation infrastructure, principally the construction and improvement of ports and waterways and land reclamation. Any significant reduction in the PRC government's investments in infrastructure development could have a material and adverse effect on the Group's business. The PRC government's spending on infrastructure has historically been, and will continue to be, cyclical in nature. Various factors affect the nature, scale, location and timing of the PRC government's public investment plans in the infrastructure sector of the PRC. These factors include the PRC government's policy and priorities regarding different regional economies across China, the PRC government's fiscal and monetary policies which affect the availability of credit and funding for projects, deregulation to encourage private sector participation in the transportation infrastructure sector and the general condition and prospects of the overall PRC economy.

The Group is required to comply with extensive environmental, safety and health laws and regulations and quality control standards and the compliance of which may be onerous or expensive.

The Group is required to comply with extensive environmental (including but not limited to the carbon emission control measures in light of the increasing concerns about global climate change in recent years), health and safety laws and regulations promulgated by the PRC government and the governments of other overseas jurisdictions in which it operates, as well as quality control standards. Given the magnitude and complexity of these laws and regulations, compliance with them or the establishment of effective monitoring systems may be onerous or require a significant amount of financial and other resources. If the Group fails to comply with these laws and regulations and industry standards applicable to its operations, it could be subject to suspension of its operations, failed evaluation when the project is delivered for review, substantial penalties, fines, suspension or revocation of its licences or permits to conduct business, termination of government contracts, administrative proceedings or litigation. Such events could have a material and adverse impact on its business, results of operations, financial condition and reputation. As these laws and regulations continue to evolve, there can be no assurance that the PRC government or the governments of other overseas jurisdictions in which the Group has operations will not impose additional or more onerous laws or regulations, compliance with which may cause the Group to incur significantly increased costs, which the Group may not be able to pass on to its customers. In addition, some of the new overseas markets that the Group is seeking to enter may have more onerous environmental, safety and health regulations than in China, compliance with which may be costly and could hinder its endeavours to enter these new overseas markets.

The Group is required to possess permits, certificates or licences to undertake its business operations and any loss, termination or non-renewal of these permits, certificates or licences could have a significant and adverse impact on its business and operations.

The Group is required to possess permits, certificates and licences issued by the relevant government agencies to conduct its business, including its construction operations, and it must comply with the restrictions and conditions imposed by various governmental authorities to maintain its permits, certificates and licences. The Group is subject to regular inspections, examination, inquiries and audits by governmental authorities as part of the process of maintaining or renewing these various licenses, certificates and permits. The Group is also subject to periodic and spot inspections conducted by governmental authorities at various levels. In the event that any of its or its subsidiaries' facilities or products fails such inspections, the Group's business, profitability and reputation may be materially and adversely affected. The Group may also be subject to fines or other financial penalties in such events. It cannot be assured that the Group will be able to maintain or renew its existing licenses, certificates or permits, or any other regulatory approvals or obtain new licenses, certificates, permits or other approvals required for its continuing operation on a timely basis or at all. Failure to comply with applicable laws and regulations or failure to maintain, renew or obtain the necessary licenses, certificates, permits or approvals could materially and adversely affect the Group's business, results of operations and financial condition.

The Group faces significant and increasing competition in the markets in which it operates, and failure to compete effectively could adversely affect its business.

The Group faces significant competition in the markets in which it operates. Its competition comes from various sources, including both large and local state-owned and private companies in China, as well as leading international companies. The Group competes with other domestic companies for projects and expects to face increasing competition from both local and international players in the future. Increased competition may result in loss of market share and may adversely impact the Group's results of operations and financial condition.

The Group is exposed to risks in connection with contracting with public bodies.

The PRC and overseas government agencies (which term shall include entities administered and financed by such agencies) at national, provincial and local levels are the most significant group of investors in the infrastructure industry, and they are the Group's core customer base. The Group is therefore exposed to risks in connection with contracting with such public bodies. For example, many of the Group's contracts with government agencies are for large and high profile infrastructure projects, which can result in increased political and public scrutiny of its work. Such public bodies may from time to time require the construction methods or equipment utilised to be changed, directing the Group to reconfigure its designs or purchase machinery and equipment for the relevant project, thereby subjecting the Group to additional costs. Due to the fact that most of the transportation infrastructure projects are funded by government agencies, these projects are sometimes subject to changes or postponement arising from factors such as changes in government budget, changes in policy considerations or changes of government in certain overseas jurisdictions, which could also lead to a withholding of, or delay in, payments to the Group. Government agencies generally exercise significant discretion in the performance of their contracts. If any public body terminates or fails to renew a contract with the Group, the Group's backlog may be reduced. See "*Description of the Group – Backlog and New Contracts – Backlog*". In addition, disputes with public bodies could potentially lead to contract termination if unresolved or may last for considerably longer periods of time than for those that occur with private sector counter parties, and the Group may not be able to receive payments from public bodies timely or at all as a result.

The Group's business is subject to general economic and business cycles, and difficult conditions in the global economy may adversely affect the Group's business.

The Group's businesses are closely related to the development of the macro-economy, especially its infrastructure design and infrastructure construction business and are substantially affected by general global macro-economic conditions.

The outlook for the world economy and financial markets remains uncertain. The demand for the Group's services is substantially influenced by general global and domestic economic conditions. Global and domestic economic conditions may cause volatility and disruptions in the capital and credit markets. The global economy has continued to face new challenges such as the Russia-Ukraine conflict, the situation in the Middle East, the geopolitical tensions between the U.S. and China and the geopolitical conflicts in various countries in the Middle East including the Israeli-Palestinian conflict and the joint United States-Israeli strikes on Iran. In addition, economic conditions in the PRC are sensitive to global economic conditions, and it is impossible to predict how the PRC economy will develop in the future and whether it may slow down due to a global crisis, or experience a financial crisis.

Instability in the global economy may materially and adversely affect markets that the Group operates in, which may lead to a decline in the general demand for the Group's services and products. In addition, a reduction in liquidity in the global financial markets and in the PRC may negatively affect the Group's liquidity. Therefore, instability in the global economy may materially and adversely affect the Group's business, financial condition and results of operations.

RISKS RELATING TO THE PRC

The Group's business, financial condition, results of operation and prospects could be adversely affected by slowdown in the PRC economy.

A substantial part of the Group's revenue is derived from the PRC and the growth of the Group's businesses depends significantly upon the continuation of economic development and growth in the PRC. For the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, 84.7 per cent., 82.5 per cent., 78.1 per cent. and 73.3 per cent., respectively, of the Group's revenue from its main business segments was from the PRC. The Group relies, to a significant degree, on domestic demand for infrastructure, dredging and other projects to achieve revenue growth. Factors which may influence the performance and growth of infrastructure construction, design and dredging industries include general national economic conditions, mortgage and interest rate levels, inflation, unemployment, demographic trends, gross domestic product growth and consumer confidence. A downturn in economic activities in the PRC could lead to a recession in the construction industry in particular. The Group's financial condition and results of operations could be materially and adversely affected by a downturn in such industries in the PRC or in any of the regional markets where the Group operates.

Any slowdown in the PRC economy may increase the Group's exposure to material losses from its investments, decrease the opportunities for developing the Group's businesses, create a credit tightening environment, increase the Group's financing costs, or reduce government subsidies to the Group, any of which may result in a material adverse effect on the Group's business, results of operations and financial condition.

Interpretation and enforcement of the laws and regulations in the PRC may involve uncertainties.

As substantially all of the Group's businesses are conducted, and substantially all of the Group's assets are located, in the PRC, a substantial part of the Group's business and operations are governed principally by PRC laws and regulations. The PRC legal system is based on written statutes while prior court decisions can only be cited as reference. Because of the limited volume of published decisions and their non-binding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. Any litigation may be protracted and result in substantial costs and the diversion of resources and management's attention.

Adverse changes in political, social and economic policies of the PRC government could have a material and adverse effect on the overall economic growth of the PRC, which could in turn affect the Group's business and prospects.

The PRC government continues to play a significant role in regulating certain industries and the economy through numerous policy measures. The Group cannot predict whether changes in the nation's economic, political or social conditions, or in any laws, regulations and policies, will adversely affect its business, financial condition or results of operations. The Group's operations and financial results could also be materially and adversely affected by changes in political, economic and social conditions or the relevant policies of the PRC government, such as changes in laws and regulations (or the interpretation thereof). For example, the Group's operating results and financial condition may also be materially and adversely affected by other changes in taxation and changes in state policies affecting the industries in which the Group operates. The Group's operations and financial results, as well as its ability to satisfy its obligations under the Securities, could also be materially and adversely affected by such changes in measures which might be introduced to control inflation, changes in the rate or method of taxation, the imposition of additional restrictions on currency conversion and the imposition of additional import restrictions.

Any force majeure events, including the outbreak, or threatened outbreak, of any severe communicable disease in the PRC and other parts of the world, could materially and adversely affect the Group's business and results of operations.

Any force majeure events, including the outbreak, or threatened outbreak, of any severe communicable disease (such as severe acute respiratory syndrome ("**SARS**"), avian influenza, Ebola virus disease or COVID-19 in the PRC and other parts of the world, could materially and adversely affect the overall business sentiment and environment in the PRC, particularly if such outbreak is inadequately controlled. Over the past few decades, the PRC has suffered health epidemics related to the outbreak of avian influenza, H1N1 virus, SARS and COVID-19. Any prolonged recurrence of avian influenza, SARS, COVID-19 or other adverse public health developments in the PRC could materially and adversely affect domestic consumption, labour supply and, possibly, the overall gross domestic product growth of the PRC. The Group's revenue is currently derived mainly from its PRC operations, and any labour shortages on contraction or slowdown in the growth of domestic consumption in the PRC could materially and adversely affect the Group's business, financial condition and results of operations. In addition, if any of the Group's employees are affected by any severe communicable disease, it could adversely affect or disrupt production levels and operations at the relevant plants and materially and adversely affect the Group's business, financial condition and results of operations, which may also involve a closure of the Group's facilities to prevent the spread of the disease. The spread of any severe communicable disease in the PRC may also affect the operations of the Group's customers and suppliers, which could materially and adversely affect the Group's business, financial condition, and results of operations.

It may be difficult to effect service of process or enforce any judgments obtained from non-PRC courts against the Group or its directors and senior management who reside in the PRC.

Substantially all of the Group's assets are located within the PRC. In addition, most of the Group's directors and senior management reside within the PRC, and assets of the directors and senior management may also be located within the PRC. As a result, it may not be possible to effect service of process outside the PRC upon most of the Group's directors and senior management, including for matters arising under applicable securities law. A judgment of a court of another jurisdiction may be reciprocally recognised or enforced if the jurisdiction has a treaty with the PRC or if judgments of the PRC courts have been recognised before in that jurisdiction, subject to the satisfaction of other requirements. However, the PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with many countries, including Japan, the United States and the United Kingdom. Therefore, it may be difficult for investors to enforce any judgments obtained from non-PRC courts against the Group, the Guarantor, any of their respective directors or senior management in the PRC.

RISKS RELATING TO THE GUARANTEE AND THE SECURITIES

Restrictions on Investors who are considered U.S. Persons for purposes of Executive Order 13959 or the CMIC Sanctions Regulation.

U.S. Executive Order 13959, as amended by Executive Order 14032, (together, the "**Executive Order**") or the CMIC Sanctions Regulation prohibits "U.S. Persons" (defined under the Executive Order or the CMIC Sanctions Regulation, as "any United States citizen, lawful permanent resident, entity organised under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States") from purchasing or selling "any publicly traded securities, or any publicly traded securities that are derivative of such securities or are designed to provide investment exposure to such securities" (each a "**Covered Security**") of any person listed on the NS-CMIC List published by OFAC, including the Guarantor. OFAC has the authority to list additional companies on the NS-CMIC List in the future, including entities that are determined, at the discretion of the U.S. Government, "to be owned or controlled by, directly or indirectly" a person listed on the NS-CMIC List.

The restrictions in the Executive Order or the CMIC Sanctions Regulation become effective 60 days after the date an entity is listed on the NS-CMIC List. Purchases or sales of Covered Securities made solely for divestment purposes are permitted during the 60-day wind down period. The Executive Order's or the CMIC Sanctions Regulation's restrictions are a form of U.S. sanctions. Investors are responsible for ensuring that they comply with the Executive Order, the CMIC Sanctions Regulation and any related official guidance. Investors who are considered U.S. Persons for purposes of the Executive Order or the CMIC Sanctions Regulation should consider whether this is an appropriate investment.

The Securities may not be a suitable investment for all investors.

The Securities are complex financial instruments and may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of such Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities;

(iv) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Securities may not meet investor expectations or requirements.

It is the Issuer's intention to apply an amount equal to the net proceeds of the Securities in accordance with the Issuer's Sustainable Finance Framework. A prospective investor should have regard to the information set out in the section "Sustainable Finance Framework" and determine for itself the relevance of such information for the purpose of an investment in the Securities together with any other investigation it deems necessary.

No assurance is given by that such use of proceeds will satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses, the subject of or related to, the Sustainable Finance Framework.

No assurance can be given that Eligible Projects will meet investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels. The Securities will not be compliant with the Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (the "**EU Green Bond Regulation**") and are only intended to comply with the requirements and processes in the Issuer's Sustainable Finance Framework. It is not clear if the establishment of the EuGB label and the optional disclosures regime for bonds issued as "environmentally sustainable" under the EU Green Bond Regulation could have an impact on investor demand for, and pricing of, green use of proceeds securities that do not comply with the requirements of the EuGB label or the optional disclosures regime, such as the Securities. It could result in reduced liquidity or lower demand or could otherwise affect the market price of the Securities.

While it is the intention of the Issuer to allocate an amount equal to the net proceeds of the Securities for Eligible Projects as described in Sustainable Finance Framework below, there is no contractual obligation to do so. There can be no assurance that any such Eligible Projects will be available or capable of being implemented in the manner and timeframe anticipated and, accordingly, that the Issuer will be able to use the proceeds for such Eligible Projects as intended. In addition, there can be no assurance that Eligible Projects will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated. None of a failure by the Issuer to allocate the proceeds of the Securities or a failure of a third party to issue (or to withdraw) an opinion or certification in connection with the Securities or the failure of the Securities to meet investors' expectations requirements regarding any "green", "sustainable", "social" or similar labels will constitute an Event of Default or breach of contract with respect to the Securities.

The Issuer does not undertake to ensure that there are at any time sufficient Eligible Projects to allow for allocation of a sum equal to the net proceeds of the issue of the Securities in full.

Each prospective investor should have regard to the factors described in the Issuer's Sustainable Finance Framework and the relevant financial information contained in this Offering Circular and seek advice from their independent financial adviser or other professional adviser regarding its purchase of the Securities before deciding to invest. The Issuer's Sustainable Finance Framework may be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Offering Circular. The Issuer's Sustainable Finance Framework does not form part of, nor is incorporated by reference, in this Offering Circular.

No assurance of suitability or reliability of any Second Party Opinion or any other opinion or certification of any third party relating to the Securities.

Sustainable Fitch has issued an independent opinion, dated 20 October 2026, on the Issuer's Sustainable Finance Framework (the "**Second Party Opinion**"). The Second Party Opinion provides an opinion on certain environmental and related considerations is a statement of opinion, not a statement of fact. No representation or assurance is given as to the suitability or reliability of the Second Party Opinion or any opinion or certification of any third party made available in connection with the issue of the Securities. The Second Party Opinion and any other such opinion or certification is not intended to address any credit, market or other aspects of any investment in the Securities, including without limitation market price, marketability, investor preference or suitability of any security or any other factors that may affect the value of the Securities. The Second Party Opinion and any other opinion or certification is not a recommendation to buy, sell or hold the Securities and is current only as of the date it was issued.

The criteria and/or considerations that formed the basis of the Second Party Opinion and any other such opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. Any withdrawal of any such opinion or certification may have a material adverse effect on the value of the Securities and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein. The Second Party Opinion and any other such opinion or certification does not form part of, nor is incorporated by reference, in this Offering Circular.

The Securities are not linked to the performance of the Eligible Projects, do not benefit from any arrangements to enhance the performance of the Securities or any contractual rights derived solely from the intended use of proceeds of the Securities.

The performance of the Securities is not linked to the performance of the relevant Eligible Projects or the performance of the Issuer in respect of any environmental or similar targets. There will be no segregation of assets and liabilities in respect of the Securities and the Eligible Projects. Consequently, neither payments of principal and/or interest on Securities nor any rights of Securityholders shall depend on the performance of the relevant Eligible Projects or the performance of the Issuer in respect of any such environmental or similar targets. Holders of the Securities shall have no preferential rights or priority against the assets of any Eligible Project nor benefit from any arrangements to enhance the performance of the Securities.

An active trading market for the Securities may not develop.

The Securities are a new issue of securities for which there is currently no trading market. One or more initial investors may subscribe for a material proportion of the aggregate principal amount of the Securities which may reduce the liquidity of the Securities in the secondary trading market and such investors may have certain influence on matters voted on by holders of the Securities. Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Securities on the Hong Kong Stock Exchange. No assurance can be given that an active trading market for the Securities will develop or as to the liquidity or sustainability of any such market, the ability of Holders to sell their Securities or the price at which Holders will be able to sell their Securities. None of the Joint Lead Managers is obliged to make a market in the Securities and any such market making, if commenced, may be discontinued at any time at the sole discretion of the Joint Lead Managers. In addition, the Securities are being offered pursuant to exemptions from registration under the Securities Act and, as a result, Holders will only be able to resell their Securities in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act.

The Issuer is a special purpose vehicle established specifically for the purpose of issuing securities.

The Issuer was established specifically for the purpose of issuing securities and on-lending the net proceeds from the issue of any securities to the Guarantor and/or its subsidiaries. Its ability to make payments under the Securities will depend on the receipt of timely remittance of funds from the Guarantor and/or its subsidiaries and other members of the Group. There is no assurance that the Issuer will be able to receive sufficient funds from the Guarantor and/or its subsidiaries and other members of the Group to make payments under the Securities.

The Securities are perpetual securities and investors have no right to require redemption.

The Securities are perpetual and have no maturity date. The Issuer is under no obligation to redeem the Securities at any time and the Securities can only be disposed of by sale. Holders who wish to sell their Securities may be unable to do so at a price at or above the amount they have paid for them, or at all, if insufficient liquidity exists in the market for the Securities.

The Issuer's obligations under the Securities and the Guarantor's obligations under the Guarantee of the Securities are subordinated.

The Issuer's obligations under the Securities constitute its direct, unconditional, (subject to paragraph (a) *(Negative Pledge)* of Condition 3 of the Terms and Conditions) unsecured and subordinated obligations. Subject to applicable law in the event of the Winding-Up of the Issuer, the rights and claims of the Holders in respect of the Securities shall rank ahead of those persons whose claims are in respect of any Junior Securities of the Issuer with respect to the Securities, but shall be subordinated in right of payment to the claims of all other present and future general creditors of the Issuer.

The Guarantor's obligations under the Guarantee of the Securities constitute its direct, general, (subject to paragraph (a) *(Negative Pledge)* of Condition 3 of the Terms and Conditions) unsecured and subordinated obligations. Subject to applicable law in the event of the Winding-Up of the Guarantor, the rights and claims of the Holders in respect of the Guarantee of the Securities shall rank ahead of those persons whose claims are in respect of any Junior Securities of the Guarantor with respect to the Securities, but shall be subordinated in right of payment to the claims of all other present and future general creditors of the Guarantor.

In the event of a shortfall of funds on a Winding-Up of the Issuer or the Guarantor, there is a real risk that an investor in the Securities will lose all or some of its investment and will not receive a full return of the principal amount of the Securities or any unpaid Distributions, Arrears of Distribution or Additional Distribution Amounts with respect to the Securities.

Holders may not receive Distribution payments if the Issuer elects to defer Distribution payments under the Terms and Conditions.

The Issuer may, at its sole discretion and subject to certain conditions, elect to defer any scheduled Distribution on the Securities for any period of time. The Issuer is not subject to any limits as to the number of times Distributions can be deferred pursuant to the Terms and Conditions of the Securities, subject to compliance with certain restrictions and notwithstanding any increase in the Distribution Rate which may be provided for under the Terms and Conditions of the Securities.

Although, with respect to the Securities, following a deferral of any scheduled Distribution, Arrears of Distributions are cumulative, the Issuer may defer their payment indefinitely in accordance with the Terms and Conditions of the Securities. Any such deferral of Distribution does not constitute a default under the Terms and Conditions of the Securities. With respect to the Securities, the Issuer, the Guarantor and their respective subsidiaries are subject to certain restrictions in relation to the payment of discretionary dividends on the Junior Securities and Parity Securities of the Issuer and the Guarantor, the discretionary redemption and repurchase of Parity Securities or Junior Securities of the Issuer and the Guarantor until any outstanding Arrears of Distribution and Additional Distribution Amount are satisfied or save in certain specified situations as further described in the Terms and Conditions of the Securities. Such restrictions on discretionary payments, redemption or repurchase act as the main deterrent against deferral of Distribution on the Securities.

A breach of such restrictions on discretionary payments and discretionary redemption and repurchase by the Issuer or the Guarantor will not obligate the Issuer to satisfy any Arrears of Distributions or Additional Distribution Amount accrued at the time of the breach although it may result in a Step-Up Event. Any Distribution at the increased Distribution Rate may be further deferred by the Issuer at its discretion indefinitely in accordance with the Terms and Conditions of the Securities. See also *"– Risks Relating to the Guarantee of the Securities and the Securities – The Securities confer Holders with limited rights upon the occurrence of a Step-Up Event"*.

Any deferral of Distribution will likely have an adverse effect on the market price of the Securities. In addition, as a result of the Distribution deferral provision of the Securities, the market price of the Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Group's financial condition.

With respect to the Securities, such Securities may be redeemed at the Issuer's option the date that falls three months prior to the First Reset Date up to (and including) the First Reset Date or on any Distribution Payment Date after such First Reset Date or upon the occurrence of certain other events.

The Securities are redeemable at the option of the Issuer on (and including) the date that falls three months prior to the First Reset Date up to (and including) the First Reset Date or on any Distribution Payment Date after such First Reset Date at their principal amount together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount).

In addition, the Issuer also has the right to redeem the Securities upon the occurrence of a Step-Up Event. The Securities may also be redeemed at the option of the Issuer if prior to the date fixed for redemption at least 90 per cent. in principal amount of the Securities originally issued has been redeemed or purchased or cancelled. The date on which the Issuer elects to redeem the Securities may not accord with the preference of individual Holders of the Securities. This may be disadvantageous to the relevant Holders in light of market conditions or the individual circumstances of the Holders of the Securities. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Securities.

There are limited remedies for non-payment under the Securities.

Any scheduled Distribution will not be due if the Issuer elects to defer that Distribution pursuant to the Terms and Conditions of the Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute winding-up proceedings (a) against the Issuer or the Guarantor is limited to circumstances where a winding-up proceeding has been initiated against the Issuer or where payment has become due under the Securities or the Trust Deed and the Issuer fails to make such payment for a period of 14 days or more after the date on which such payment is due, and (b) against the Guarantor alone is limited to circumstances where a winding-up proceeding has been initiated against the Guarantor or where payment has become due under the Guarantee of the Securities or the Trust Deed and the Guarantor fails to make such payment for a period of 14 days or more after the date on which such payment is due. Holders of the Securities would need to prove in such winding-up or claim in the liquidation of the Issuer or the Guarantor (as the case may be) for such payments.

The Securities contain provisions regarding meetings, modification, waivers, substitution and variation which may affect the rights of Holders.

The Terms and Conditions contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority. In addition, a resolution in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Securities for the time being outstanding, or consent given by way of Electronic Consent (as defined in the Trust Deed) through the relevant clearing system(s), shall be effective as an Extraordinary Resolution.

The Terms and Conditions also provide that the Trustee may (but shall not be obliged to), without the consent of the Holders, agree to any modification of the Terms and Conditions, the Deed of Guarantee or the Trust Deed (in each case, other than in respect of a Reserved Matter (as defined in the Terms and Conditions)) or the Agency Agreement which, in the opinion of the Trustee, will not be materially prejudicial to the interests of Holders, and to any modification of the Terms and Conditions, the Securities, the Deed of Guarantee, the Trust Deed or the Agency Agreement which, in the opinion of the Trustee, is of a formal, minor or technical nature or is to correct a manifest error. In addition, the Trustee may, without the consent of the Holders, authorise or waive any proposed breach or breach of the Securities or of any of the provisions of the Deed of Guarantee, the Trust Deed or the Agency Agreement if, in the opinion of the Trustee, the interests of the Holders will not be materially prejudiced thereby.

The Terms and Conditions also provide that if a Special Event has occurred and is continuing, the Issuer may, at its option, subject to Condition 4 of the Terms and Conditions and without the consent or approval of the Holders, and subject to having satisfied the Trustee that Condition 12(c) of the Terms and Conditions has been complied with, and having given not less than 30 nor more than 60 days' irrevocable notice in writing to the Trustee and the CMU Lodging and Paying Agent and, in accordance with Condition 15 of the Terms and Conditions, to the Holders, at any time either (i) substitute all, but not some only, of the Securities for, or (ii) vary the terms of the Securities with the effect that they remain or become (as the case may be), Qualifying Securities (as defined in the Terms and Conditions). There is no assurance that any such modification, waiver, substitution or variation will not be adverse to the interests of the Holders.

The Securities confer Holders with limited rights upon the occurrence of a Step-Up Event.

The Securities confer Holders with limited rights upon the occurrence of a Step-Up Event. The Issuer may, at any time, on giving irrevocable notice to the Trustee, the CMU Lodging and Paying Agent and the Holders, redeem the Securities in whole, but not in part, if any of such events occurs. The Issuer is, however, not obliged to redeem the Securities upon the occurrence of any of such events under the Securities. If the Issuer elects not to redeem the Securities upon the occurrence of such events, the Distribution Rate will increase by a certain percentage per annum pursuant to Condition 4(e)(i) of the Terms and Conditions.

The Issuer may raise other capital which affects the price of the Securities.

The Issuer may raise additional capital through the issue of other securities or other means. Other than certain restrictions on issuing certain secured indebtedness or guaranteed indebtedness as set out in Condition 3(a) of the Terms and Conditions, there is no restriction, contractual or otherwise, on the amount or type of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or pari passu with, the Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders on a winding-up of the Issuer or may increase the likelihood of a deferral of Distributions under the Securities. The issue of any such securities or the incurrence of any such other liabilities might also have an adverse impact on the trading price of the Securities and/or the ability of Holders to sell their Securities.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Securities are legal investments for it, (ii) the Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Securities under any applicable risk-based capital or similar rules.

The liquidity and price of the Securities following the offering may be volatile.

The price and trading volume of the Securities may be highly volatile. Factors such as variations in the Group's turnover, earnings and cash flows, proposals for new investments, strategic alliances and/or acquisitions, changes in interest rates, fluctuations in price for comparable companies, government regulations and changes thereof applicable to the industries in which the Group operates and general economic conditions nationally or internationally could cause the price of the Securities to change. Any such developments may result in large and sudden changes in the trading volume and price of the Securities. There is no assurance that these developments will not occur in the future.

The ratings of the Securities may be downgraded or withdrawn.

The Securities are expected to be assigned a rating of "Baa2" by Moody's. The ratings represent only the opinions of the rating agencies and their assessment of the ability of the Issuer and the Guarantor to perform their respective obligations under the Securities and the Trust Deed and credit risks in determining the likelihood that payments will be made when due under the Securities. Ratings are not recommendations to buy, sell or hold the Securities and may be subject to suspension, reduction or withdrawn at any time. Neither the Issuer nor the Guarantor is obligated to inform Holders of the Securities if the ratings are lowered or withdrawn. Each rating should be evaluated independently of the other rating. A downgrade or withdrawal of the ratings may materially and adversely affect the market price of the Securities and the Issuer's ability to access the debt capital markets.

The Issuer's ability to make payments under the Securities will depend on timely payments under on lent loans of the proceeds from the issue of the Securities to the Guarantor and its subsidiaries.

The Issuer is a subsidiary of the Guarantor formed for the principal purpose of issuing the Securities and will on-lend the entire proceeds from the issue of the Securities to the Guarantor and its subsidiaries. The Issuer does not and will not have any substantive net assets other than such on-lent loans and its ability to make payments under the Securities depends on timely payments under such loans. In the event that the Guarantor and its subsidiaries do not make such payments due to limitation in such loans or other agreements, lack of available cash flow or other factors, the Issuer's ability to make payments under the Securities may be adversely affected.

The Guarantor's subsidiaries, jointly controlled entities and associated companies are subject to restrictions on the payment of dividends and the repayment of intercompany loans or advances to the Guarantor, its jointly controlled entities and associated companies.

As a holding company, the Guarantor depends on the receipt of dividends and the interest and principal payments on intercompany loans or advances from its subsidiaries, jointly controlled entities and associated companies to satisfy its obligations, including its obligations under the Securities and the Guarantee of the Securities. The ability of the Guarantor's subsidiaries, jointly controlled entities and associated companies to pay dividends and make payments on intercompany loans or advances to their shareholders is subject to, among other things, distributable earnings, cash flow conditions, restrictions contained in the articles of association of these companies, applicable laws and restrictions contained in the debt instruments of such companies. The Guarantor cannot assure that its subsidiaries, jointly controlled entities and associated companies will have distributable earnings or will be permitted to distribute their distributable earnings to it as it anticipates, or at all. In addition, dividends payable to it by these companies are limited by the percentage of its equity ownership in these companies. Further, if any of these companies raises capital by issuing equity securities to third parties, dividends declared and paid with respect to such shares would not be available to the Guarantor to make payments on the Securities. These factors could reduce the payments that the Guarantor receives from its subsidiaries, jointly controlled entities and associated companies, which would restrict its ability to meet its payment obligations under the Securities and the Guarantee of the Securities.

PRC laws and regulations permit payment of dividends only out of accumulated profits as determined in accordance with PRC accounting standards and regulations. The PRC subsidiaries, jointly controlled entities and associated companies of the Guarantor or its non-PRC subsidiaries, jointly controlled entities and associated companies are also required to set aside a portion of their post-tax profits according to PRC accounting standards and regulations to fund certain reserves until such reserves reach 50 per cent. of its registered capital, that are not distributable as cash dividends. In addition, starting from 1 January 2008, dividends paid by such PRC subsidiaries, jointly controlled entities and associated companies to their non-PRC parent companies will be subject to a 10 per cent. withholding income tax, unless there is a tax treaty between the PRC and the jurisdiction in which the overseas parent company is incorporated which specifically exempts or reduces such withholding income tax. Pursuant to the Agreement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes (內地和香港特別行政區關於對所得避免雙重征税和防止偷漏税的安排) together with related implementation rules, if a non-PRC parent company is a Hong Kong resident and directly holds a 25 per cent. or more interest in a PRC enterprise, and subject to certain other requirements, this withholding income tax rate may be lowered to 5 per cent. However, according to the Announcement of the State Taxation Administration on Issuing the Measures for the Administration of Non-resident Taxpayers' Enjoyment of Treaty Benefits (國家税務總局關於發布非居民納税人享受協定待遇管理辦法的公告), effective on 1 January 2020, the Hong Kong parent company needs to file a report and relevant documents if necessary to local tax authorities through the PRC subsidiaries, jointly controlled entities and associated companies before the 5 per cent. withholding income tax rate applies. The tax authorities will take follow-up management measures to companies who enjoyed such preferential tax treatment and have the right to recover tax payment if such treatment should not be applied. Moreover, according to the Notice of the State Administration of Taxation on Issues Relating to the Implementation of Dividend Clauses in Tax Treaties (國家税務總局關於執行税收協定股息條款有關問題的通知) issued by the SAT in February 2009, if the main purpose of an offshore arrangement is to obtain a preferential tax treatment, the PRC tax authorities have the discretion to adjust a preferential tax rate of an offshore entity to the relevant tax rate that it otherwise would have been eligible for. The Guarantor cannot provide assurance that the 5 per cent. withholding income tax rate will applies to dividends received by it or its subsidiaries, jointly controlled entities and associated companies in Hong Kong from their respective PRC subsidiaries, jointly controlled entities and associated companies. As a result of such factors, the Guarantor could face difficulties in making payments required by the Securities or satisfying obligations under the Guarantee of the Securities.

The PRC Government has no payment or other obligations under the Securities.

The PRC Government is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Securities, or in lieu of the Issuer or the Guarantor. This position has been reinforced by the Circular of the Ministry of Finance on Issues relevant to the Regulation on the Financing Activities Conducted by Financial Institutions for Local Governments and State-owned Enterprises (財政部關於規範金融企業對地方政府和國有企業投融資行為有關問題的通知，財金[2018]23號) (the "**MOF Circular**") promulgated on 28 March 2018 and which took effect on the same day, and the Circular of the National Development and Reform Commission and the Ministry of Finance on Improvement of Market Regulatory Regime and Strict Prevention of Foreign Debt Risks and Local Government Indebtedness Risks (國家發展改革委、財政部關於完善市場約束機制嚴格防範外債風險和地方債務風險的通知，發改外資[2018]706號) (the "**Joint Circular**") promulgated on 11 May 2018 and which took effect on the same day.

The PRC Government controls the Guarantor and has limited liability in the form of its equity contribution in the Guarantor in accordance with the PRC Company Law. As such, the PRC Government does not have any payment obligations under the Securities or the Deed of Guarantee. The Securities are solely to be repaid by the Issuer and the Guarantee of the Securities by the Guarantor, each as an obligor under the relevant transaction documents and as an independent legal person.

Any failure to complete the relevant filings under the NDRC Administrative Measures within the prescribed time frame following the completion of the issuance of the Securities may have adverse consequences for the Issuer and/or the investors of the Securities.

On 14 September 2015, the NDRC issued the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知，發改外資[2015]2044號) (the "**NDRC Circular**") which came into effect on the same day. On 5 January 2023, the NDRC published the NDRC Administrative Measures, which came into effect on 10 February 2023 and repealed the NDRC Circular on the same date. The NDRC Administrative Measures apply to medium and long-term foreign debts with a maturity of more than one year that are borrowed from overseas by enterprises within the territory of the PRC and by overseas enterprises or branches controlled by aforementioned PRC enterprises, denominated in local or foreign currency, and of which principal is repaid with payment of interest as agreed.

The Guarantor has registered the issuance of the Securities with the NDRC and obtained a NDRC Pre-Issuance Registration Certificate. The Issuer undertakes to complete the NDRC Post-Issue Filing within the prescribed time period after the Issue Date according to NDRC Administrative Measures and shall comply with regulations regarding risk management and interim and ex-post supervision of the NDRC Administrative Measures and any other rules and regulations promulgated by the NDRC in relation with the supervision and management of foreign debt from time to time. For any enterprise failing to comply with filing and reporting requirements under the NDRC Administrative Measures, the NDRC will order such enterprise to take rectification actions within a prescribed time limit; and if the circumstances are severe or the enterprise fails to take rectification action within the prescribed time limit, give a warning to the relevant enterprise and its principal liable person. Furthermore, conducts in violation of the NDRC Administrative Measures committed by enterprises will be publicised on, among others, the Credit China (信用中國) website and the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統). As new regulation, the NDRC Administrative Measures will be subject to interpretation and application by the relevant PRC authorities, and it remains unclear what impact non-compliance will have on the Securities. Potential investors in the Securities are advised to exercise due caution when making their investment decisions.

There may be uncertainties relating to the performance of obligations under the Guarantee of the Securities.

Under the Guarantee of the Securities, the Guarantor will unconditionally and irrevocably guarantee the due and punctual payment of all sums expressed to be payable from time to time by the Issuer under the Trust Deed or in respect of the Securities according to the terms of the Trust Deed and the Securities. The obligations of the Guarantor with respect to the Securities will be contained in a deed of guarantee of the Securities to be entered into on or about the Issue Date.

The Guarantor is required by the Provisions on the Administration of Foreign Exchange of Cross-border Guarantee (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 and the Guidelines for Implementing the Provisions on the Administration of Foreign Exchange of Cross-border Guarantee (跨境擔保外匯管理操作指引) promulgated by SAFE on 12 May 2014 (collectively, the "**Foreign Exchange of Cross-border Guarantee Measures**") to register the Guarantee of the Securities and will register the Guarantee of the Securities with the Beijing Bureau of SAFE within 15 PRC Business Days after the date of execution of the Deed of Guarantee. If the registration of the Guarantee of the Securities is not completed in accordance with the aforesaid provisions, the Guarantor may not be able to go through the procedures of purchase of foreign exchange and remittance to perform its obligations under the Guarantee of the Securities and SAFE may impose a fine or other penalties on the Guarantor.

In addition, if the Issuer intends to redeem the Securities, there is no guarantee that the Issuer will have sufficient funds to redeem the Securities in time, or on acceptable terms, or at all, in the event that the Guarantor fails to complete the registration with the Beijing Bureau of SAFE.

The interpretation of the Foreign Exchange of Cross-border Guarantee Measures may involve significant uncertainty, which may adversely affect the enforceability and/or effective performance of the Guarantee of the Securities in the PRC. In addition, the administration of the Foreign Exchange of Cross-border Guarantee Measures may be subject to a certain degree of executive and policy discretion by SAFE. There is no assurance that the registration of the Guarantee of the Securities with SAFE can be completed by the Guarantor or will not be revoked or amended in the future or that future changes in PRC laws and regulations will not have a negative impact on the validity and enforceability of the Guarantee of the Securities in the PRC.

The insolvency laws of the British Virgin Islands, the PRC and other local insolvency laws may differ from those of another jurisdiction with which the Holders of the Securities are familiar.

As the Issuer and the Guarantor are incorporated under the laws of the British Virgin Islands and the PRC, respectively, any insolvency proceeding relating to the Issuer or the Guarantor, even if brought in other jurisdictions, would likely involve the insolvency laws of the British Virgin Islands and the PRC, respectively, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the Holders of the Securities are familiar.

The Securities will be represented by a Global Certificate and holders of a beneficial interest in a Global Certificate must rely on the procedures of the Clearing Systems.

The Securities will be represented by the Global Certificate except in certain limited circumstances described in the Global Certificate. The Global Certificate will be registered in the name of the HKMA, in its capacity as operator of the CMU, and shall be delivered to and held by a sub-custodian nominated by the HKMA as operator of the CMU. Individual Certificates evidencing holdings of Securities (the "**Certificates**") will only be available in certain limited circumstances. The CMU will maintain records of the beneficial interests in the Global Certificate. While the Securities are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the CMU.

While the Securities are represented by the Global Certificate, the Issuer will discharge its payment obligations under the Securities by making payments to or to the order of the common depositary for the CMU for distribution to their account holders. A holder of a beneficial interest in the Global Certificate must rely on the rules and procedures of the CMU to receive payments under the Securities. None of the Issuer, the Trustee or the Agents has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the CMU to appoint appropriate proxies.

Additional procedures may be required to be taken to hear English law governed matters in the Hong Kong courts. There is also no assurance that the PRC courts will recognise and enforce judgments of the Hong Kong courts in respect of English law matters.

The Terms and Conditions of the Securities and the transaction documents are governed by English law (other than the provisions relating to subordination, which shall be governed by BVI law or PRC law), whereas parties to these documents have submitted to the exclusive jurisdiction of the Hong Kong courts. In order to hear English law governed matters, Hong Kong courts may require certain additional procedures to be taken. Under the "Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned", judgments of Hong Kong courts are likely to be recognised and enforced by the PRC courts where the contracting parties to the transactions pertaining to such judgments have agreed to submit to the exclusive jurisdiction of Hong Kong courts. However, recognition and enforcement of a Hong Kong court judgment could be refused if the PRC courts consider that the enforcement of such judgment is contrary to the social and public interest of the PRC. While it is expected that the PRC courts will recognise and enforce a judgment given by Hong Kong courts governed by English law, there can be no assurance that the PRC courts will do so for all such judgments as there is no established practice in this area. As compared to other similar debt securities issuances in the international capital market where the relevant security holders would not typically be required to submit to an exclusive jurisdiction, the Holders will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts, and thus the Holders' ability to initiate a claim outside of Hong Kong will be limited.

Gains from the Securities may be subject to income tax under PRC tax laws.

Under the EIT Law and the implementation rules which took effect on 20 January 2025, enterprises established outside the PRC whose "de facto management bodies" are located in the PRC are considered "resident enterprises" for PRC tax purposes. The implementation rules define the term "de facto management body" as a management body that exercises full and substantial control and management over the business, personnel, accounts and properties of an enterprise. In April 2009, the State Administration of Taxation specified certain criteria for the determination of the "de facto management bodies" for foreign enterprises that are controlled by PRC enterprises, which may be relevant for the tax authorities to determine whether the Issuer is a PRC resident enterprise for tax purposes. However, there is no clear standard published by the tax authorities for making such a determination.

A PRC resident enterprise under the EIT Law is subject to EIT at the rate of 25 per cent. on its global taxable income. It also must withhold tax on payments of PRC-source income paid to non-resident enterprise holders of the Securities at the rate of 10 per cent. and to non-resident individual holders at a rate of 20 per cent., in each case, unless a lower rate is available under an applicable tax treaty. Under the EIT Law, a "non-resident" enterprise means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but derives income from sources within the PRC.

As at the date of this Offering Circular, the Issuer has not been notified by the SAT that it is a PRC resident enterprise. However, no assurance can be made that the Issuer will not be deemed a PRC resident enterprise in the future. If the Issuer is deemed a PRC resident enterprise for EIT purposes, the Issuer would be subject to EIT at a rate of 25 per cent. on its global income (although dividends paid from one PRC resident enterprise to another may qualify as tax-exempt income for these purposes) and may be required to withhold PRC withholding tax on payments of Distribution paid to non-resident enterprise holders of the Securities at the rate of 10 per cent. or to non-resident individual holders at a rate of 20 per cent., as the case may be. Furthermore, any capital gains on the transfer of the Securities of non-resident holders may be regarded as derived from sources within the PRC and therefore subject to PRC tax at the above rates if the Issuer is deemed to be a PRC resident enterprise for EIT purposes. Applicable tax treaties may provide for lower tax rates.

In addition, as the Guarantor is a PRC resident enterprise, if the Issuer is not able to make payments under the Securities and the Guarantor fulfils the payment obligations under the Guarantee of the Securities, the Guarantor must withhold PRC income tax on payments with respect to the Securities to non-resident enterprise holders at the rate of 10 per cent. and to non-resident individual holders at a rate of 20 per cent., as the case may be. Applicable tax treaties may provide for lower tax rates.

If a Holder, being a non-resident enterprise or non-resident individual, is required to pay any PRC income tax on gains from the Securities, the value of the relevant Holders, investment in the Securities may be materially and adversely affected.

Changes in accounting standards may impact the Group's financial condition or the characterisation of the Securities.

The MOF and IASB may issue new and revised standards, guideline and interpretations in the future. Such factors may require adoption of new accounting policies by the Group. There can be no assurance that the adoption of new accounting policies or new PRC GAAP or IFRS will not have a significant impact on the Group's financial condition and results of operations. In addition, any change or amendment to, or any change or amendment to the general application or interpretation of, PRC GAAP or IFRS may result in the reclassification of the Securities such that the Securities must not or must no longer be recorded as "equity" of the Guarantor and/or the Issuer, and will give the Issuer the right to elect to redeem the Securities. See *"Terms and Conditions of the Securities – Condition 5(d) Redemption for accounting reasons"*.

Financial information for different periods included in this Offering Circular has been prepared under different accounting standards and may not be directly comparable.

The Guarantor's 2024 Financial Statements and the Guarantor's 2025 Financial Statements included in this Offering Circular have been prepared and presented in accordance with IFRS and have been audited by E&Y. On 28 May 2026, the board of directors of the Guarantor considered and approved the resolution in relation to the alignment in preparation of financial reports in accordance with the PRC GAAP, commencing from the 2026 interim report. Accordingly, the 2026 Interim Financial Statements, together with the comparative figures therein (i.e. the consolidated balance sheet as at 31 December 2025 and the consolidated income statement and other financial statements for the six months ended 30 June 2025), have been prepared in accordance with the PRC GAAP. The 2026 Interim Financial Statements have not been audited by KPMG. The audited consolidated financial information of the Guarantor for the years ended 31 December 2023, 2024 and 2025 set out in the Guarantor's 2024 Financial Statements and the Guarantor's 2025 Financial Statements has not been restated to reflect the adoption of the PRC GAAP.

Although IFRS and the PRC GAAP have largely converged, they differ in certain respects in terms of recognition, measurement and presentation. As a result, financial information prepared in accordance with the PRC GAAP may not be directly comparable to financial information prepared in accordance with IFRS. Investors must therefore exercise caution when comparing the Guarantor's 2026 interim financial information (including the comparative figures therein) with its audited annual financial statements for the years ended 31 December 2023, 2024 and 2025, or when analysing trends in the Guarantor's financial condition, results of operations, cash flows and financial position across different reporting periods.

Accordingly, the historical financial information included in this Offering Circular may not provide a basis for direct period-to-period comparisons, and investors should consider the different accounting frameworks applicable to the respective periods when evaluating the Guarantor, the Group and making an investment decision. For further details, see "*Presentation of Financial Information*".

Investors shall be aware of the effect of change of law.

The Terms and Conditions of the Securities relating to subordination are governed by PRC law and the British Virgin Islands law, while any other Terms and Conditions of the Securities are based on English law in effect. No assurance can be given as to the impact of any possible judicial decision or change to the British Virgin Islands law, PRC law and/or English law, or administrative practices after the date of this Offering Circular and any such change could materially adversely impact the value of any Securities affected by it.

RISKS RELATING TO SECURITIES DENOMINATED IN RENMINBI

Exchange rate risks and exchange controls may result in investors receiving less distributions or principal than expected.

The Issuer will pay principal, premium and interest on the Securities in Renminbi (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Securities, (ii) the Investor's Currency equivalent value of the principal payable on the Securities and (iii) the Investor's Currency equivalent market value of the Securities. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less distributions or principal than expected, or no distributions or principal.

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of the Securities.

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. Participating banks in a number of major global financial centers such as Hong Kong, Macau, Singapore, Taiwan, Seoul, Frankfurt, London, Paris, Luxembourg, Doha and Toronto have been permitted to engage in the settlement of current account trade transactions in Renminbi under certain pilot schemes.

On the other hand, remittance of Renminbi by foreign investors into the PRC for the settlement of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are still being developed.

Although starting from 1 October 2016, Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund and policies further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were implemented by the PBOC in 2018, there can be no assurance that the PRC government will continue to liberalise control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which will have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. Despite Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance their obligations under the Securities denominated in Renminbi.

Remittance of proceeds into or outside of the PRC in Renminbi may be subject to restrictions.

In the event that the Issuer decides to remit some or all of the proceeds into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities. However, there can be no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC governmental authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

There can be no assurance that the PRC government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the pilot schemes introduced will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Securities and the ability of the Issuer to source Renminbi outside the PRC to service such Securities.

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the PBOC has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the "**Renminbi Clearing Banks**"), including but not limited to Hong Kong and has established the Cross-Border Inter-Bank Payment System to facilitate cross-border Renminbi settlement, and is in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The Renminbi Clearing Banks only have access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There can be no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Securities. To the extent the Issuer is required to source Renminbi outside the PRC to service the Securities, there can be no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

TERM AND CONDITIONS OF THE SECURITIES

The following are the terms and conditions of the Securities substantially in the form in which they (subject to modification and other than the text in italics) will be endorsed on the definitive Certificates and referred to in the Global Certificate.

The CNY3,350,000,000 1.90 per cent. subordinated guaranteed perpetual securities (the "**Securities**", which expression includes any further securities issued pursuant to Condition 14 *(Further Issues)* and forming a single series therewith) of CCCI Treasure Limited (the "**Issuer**") was authorised by a resolution of the sole director of the Issuer passed on 17 June 2026. The Securities are guaranteed by China Communications Construction Company Limited (中國交通建設股份有限公司) (the "**Guarantor**") pursuant to a deed of guarantee dated 29 October 2026 (the "**Deed of Guarantee**"). The giving of the Deed of Guarantee was approved by the board of directors of the Guarantor on 29 April 2026. The Securities are constituted by, are subject to, and have the benefit of, a trust deed dated 29 October 2026 (as amended or supplemented from time to time, the "**Trust Deed**") between the Issuer, the Guarantor and China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed) and are the subject of an agency agreement dated 29 October 2026 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, the Guarantor, China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Securities), China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as calculation agent (the "**Calculation Agent**", which expression includes any successor calculation agent appointed from time to time in connection with the Securities), China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as CMU lodging and paying agent (the "**CMU Lodging and Paying Agent**", which expression includes any successor CMU lodging and paying agent appointed from time to time in connection with the Securities), the transfer agent named therein (the "**Transfer Agent**", which expression includes any successor or additional transfer agent appointed from time to time in connection with the Securities), the other paying agents named therein (together with the CMU Lodging and Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Securities) and the Trustee. References herein to the "**Agents**" are to the Registrar, the CMU Lodging and Paying Agent, the Transfer Agents, the Calculation Agent and the Paying Agents and any reference to an "**Agent**" is to any one of them. Certain provisions of these Conditions are summaries of the Deed of Guarantee, the Trust Deed and the Agency Agreement and are subject to their detailed provisions. The Holders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Deed of Guarantee, the Trust Deed and the Agency Agreement applicable to them. Copies of the Deed of Guarantee, the Trust Deed and the Agency Agreement are available to Holders during normal business hours (being 9:00 am (Hong Kong time) to 3:00 pm (Hong Kong time) Mondays to Fridays, excluding public holidays) with reasonable prior written notification and satisfactory proof of holding and identity from the specified office of the CMU Lodging and Paying Agent, being at the date hereof, 3/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong.

All capitalised terms not defined in these Conditions have the meanings ascribed to them in the Trust Deed.

1. FORM, DENOMINATION, STATUS, RANKING AND GUARANTEE

(a) Form and denomination

The Securities are in registered form in the denomination of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof (each, an "**Authorised Denomination**").

(b) Status of the Securities

The Securities constitute direct, unconditional, (subject to paragraph (a) *(Negative Pledge)* of Condition 3 *(Negative Pledge and other Covenants)*) unsecured and subordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and with any Parity Securities of the Issuer. The rights and claims of the Holders in respect of the Securities are subordinated as provided in this Condition 1.

(c) Guarantee

The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment in full of all sums expressed to be from time to time payable by the Issuer under the Trust Deed and in respect of the Securities (the "**Guarantee**"). The Guarantee constitutes a direct, general, unconditional, (subject to paragraph (a) *(Negative Pledge)* of Condition 3 *(Negative Pledge and other Covenants)*) unsecured and subordinated obligation of the Guarantor which shall, at all times rank at least *pari passu* with any Parity Securities of the Guarantor. The rights and claims of the Holders in respect of the Guarantee are subordinated as provided in this Condition 1.

(d) Ranking of claims in respect of the Securities

Subject to applicable law, in the event of the Winding-Up of the Issuer, the rights and claims of the Holders in respect of the Securities shall rank ahead of those persons whose claims are in respect of any Junior Securities of the Issuer, but shall be subordinated in right of payment to the claims of all present and future general creditors of the Issuer.

(e) Ranking of claims in respect of the Guarantee

Subject to applicable law, in the event of the Winding-Up of the Guarantor, the rights and claims of the Holders in respect of the Guarantee shall rank ahead of those persons whose claims are in respect of any Junior Securities of the Guarantor, but shall be subordinated in right of payment to the claims of all present and future general creditors of the Guarantor.

(f) Set-off – Securities

Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Securities, and each Holder shall, by virtue of his holding of any Securities, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with the Securities is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-Up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

(g) Set-off – Guarantee

Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Guarantor in respect of, or arising under or in connection with the Guarantee, and each Holder shall, by virtue of his holding of any Securities, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Guarantor. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Guarantor in respect of, or arising

under or in connection with the Guarantee is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Guarantor (or, in the event of its Winding-Up or administration, the liquidator or, as appropriate, administrator of the Guarantor) and, until such time as payment is made, shall hold such amount in trust for the Guarantor (or the liquidator or, as appropriate, administrator of the Guarantor) and accordingly any such discharge shall be deemed not to have taken place.

*Upon issue, the Securities will be represented by a global certificate (the "**Global Certificate**") registered in the name of, and lodged with a sub-custodian for, the Hong Kong Monetary Authority as operator (the "**Operator**") of the Central Moneymarkets Unit Service (the "**CMU**"). These Conditions are modified by certain provisions contained in the Global Certificate while any of the Securities are represented by the Global Certificate.*

Except in the limited circumstances described in the Global Certificate, owners of interests in the Securities represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of the Securities.

2. REGISTER, TITLE AND TRANSFERS

(a) Register

The Registrar will maintain a register (the "**Register**") outside of the United Kingdom in respect of the Securities in accordance with the provisions of the Agency Agreement. In these Conditions, the "**Holder**" of a Security means the person in whose name such Security is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Holder**" shall be construed accordingly. A certificate (each, a "**Certificate**") will be issued to each Holder in respect of its registered holding. Each Certificate will be numbered serially with an identifying number which will be recorded in the Register.

(b) Title

The Holder of each Security shall (except as ordered by a court of competent jurisdiction or otherwise required by law) be treated as the absolute owner of such Security for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Certificate) and no person shall be liable for so treating such Holder.

(c) Transfers

Subject to paragraphs (f) and (g) below, a Security may be transferred upon surrender of the relevant Certificate, with the form of transfer duly completed, at the specified office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Security may not be transferred unless the principal amount of Securities transferred and (where not all of the Securities held by a Holder are being transferred) the principal amount of the balance of Securities not transferred are Authorised Denominations. Where not all the Securities represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Securities will be issued to the transferor. No transfer of title to a Security will be valid unless and until entered on the Register.

Transfers of interests in the Securities represented by the Global Certificate will be effected in accordance with the rules and procedures of the CMU.

(d) Registration and delivery of Certificates

Within seven business days of the surrender of a Certificate in accordance with paragraph (c) above, the Registrar will register the transfer in question and deliver a new Certificate of a like principal amount to the Securities transferred to each relevant Holder at its specified office or (as the case may be) the specified office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured mail to the address specified for the purpose by such relevant Holder.

(e) No charge

The transfer of a Security will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but upon (i) such indemnity and/or security and/or pre-funding as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer (ii) the Registrar being satisfied in its absolute discretion with the documents of title or identity of the person making the application; and (iii) the relevant Agent being satisfied that the regulations concerning transfer of Securities have been complied with.

(f) Closed periods

No Holders may require the transfer of a Security to be registered:

(i) during the period of 15 days ending on (and including) the due date for any redemption of that Security; or

(ii) during the period of seven days ending on (and including) any Record Date (as defined in paragraph (e) (*Record date*) of Condition 6 (*Payments*)).

(g) Regulations concerning transfers and registration

All transfers of Securities and entries on the Register are subject to the detailed regulations concerning the transfer of Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Trustee and the Registrar, or by the Registrar with the prior written approval of the Trustee. A copy of the current regulations will be made available for inspection by the Registrar to any Holder upon prior written request and satisfactory proof of holding and identity during normal business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays)) at the specified office for the time being of the Registrar.

3. NEGATIVE PLEDGE AND OTHER COVENANTS

(a) Negative Pledge

So long as any of the Securities remains outstanding (as defined in the Trust Deed):

(i) the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a "**Security Interest**") upon, or with respect to, any of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any of its Relevant Indebtedness, unless the Issuer, in the case of the creation of a Security Interest, before or at the same time, takes any and all action necessary to ensure that:

(A) all amounts payable by it under the Securities and the Trust Deed are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or

(B) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Holders; and

(ii) the Guarantor will not, and the Guarantor will ensure that none of its Principal Subsidiaries (other than any Subsidiary whose ordinary shares are listed on any recognised stock exchange and its Subsidiaries) will create or have outstanding any Security Interest (save for any Permitted Security Interest) upon, or with respect to, any of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any of its Relevant Indebtedness unless the Guarantor, in the case of the creation of a Security Interest, before or at the same time takes any and all action necessary to ensure that:

(A) all amounts payable by it under the Guarantee are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or

(B) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution of the Holders.

(b) Undertakings in relation to the Guarantee

The Guarantor shall (i) submit to register or cause the Deed of Guarantee to be submitted for registration with SAFE within the prescribed timeframe, in accordance with the Provisions on the Administration of Foreign Exchange of Cross-border Guarantee《跨境擔保外匯管理規定》promulgated by SAFE on 12 May 2014 and the Guidelines for Implementing the Provisions on the Administration of Foreign Exchange of Cross-border Guarantee《跨境擔保外匯管理操作指引》promulgated by SAFE on 12 May 2014 (the "**SAFE Registration**"); (ii) use its commercially reasonable endeavours to complete the SAFE Registration on or before the Registration Deadline; and (iii) ensure that the SAFE Registration remains in full force and effect for so long as the Securities remain outstanding.

(c) Notification to NDRC

The Guarantor shall within the relevant prescribed timeframes after the Issue Date (as defined below), file or cause to be filed with the NDRC requisite information and documents in respect of the Securities in accordance with the Administrative Measures for the Review and Registration of Medium and Long-term Foreign Debt of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第56號)) issued by the NDRC which came into effect on 10 February 2023 and any implementation rules, reports, certificates, approvals or guidelines as issued by the NDRC from time to time (each, a "**NDRC Post-issue and Continuing Filing**"), including but not limited to, the filing with the NDRC the requisite information and documents in respect of the issue of the Securities within 10 PRC Business Days after the Issue Date (the "**NDRC Post-issue Filing**").

(d) Certificates to Trustee

Within 10 PRC Business Days after the later of the submission of such NDRC Post-issue Filing and receipt of the registration record or evidence of filing from SAFE as referred to in Condition 3(b) (*Undertakings in relation to the Guarantee*) above, the Guarantor shall(A) provide the Trustee with the Registration Documents and (B) give notice to the Holders in accordance with Condition 15 (*Notices*) of the same.

The Trustee shall rely conclusively without investigation or verification on the Registration Documents and any other certificate, document, confirmation, evidence, notice and/or other document in relation to or in connection with the NDRC Post-issue and Continuing Filing, the NDRC Post-issue Filing and/or the SAFE Registration and have no duty or obligation to monitor or ensure the completion of (or otherwise assist with) the NDRC Post-issue and Continuing Filing, the NDRC Post-issue Filing and/or the SAFE Registration on or before the deadline referred to above or to verify the accuracy, completeness, contents, validity and/or genuineness of any certificate, confirmation or other documents in relation to or in connection with the NDRC Post-issue and Continuing Filing, the NDRC Post-issue Filing and/or the SAFE Registration (and may rely conclusively on any of such documents) or to give notice to the Holders confirming the submission of the NDRC Post-issue and Continuing Filing, the NDRC Post-issue Filing and/or the SAFE Registration, or to translate or procure the translation into English of any document referred to above which is in the Chinese language, and shall not be liable to Holders, the Issuer, the Guarantor or any other person for not doing so.

(e) Financial Statements

So long as any Security remains outstanding, the Guarantor shall send to the Trustee (i) as soon as they are available but in any event within 180 days after each Relevant Period, a copy of the relevant audited annual consolidated financial statements of the Group (audited by a nationally or an internationally recognised firm of independent accountants) prepared and presented in accordance with International Financial Reporting Standards and (ii) as soon as they are available but in any event within 120 days after each Relevant Period, a copy of the relevant semi-annual consolidated financial statements of the Group (reviewed by a nationally or an internationally recognised firm of independent accountants) prepared and presented in accordance with International Financial Reporting Standards, **provided that** if such statements shall be in the Chinese language, together with an English translation of the same translated by (A) a nationally or an internationally recognised firm of independent accountants or (B) a professional translation service provider and checked by a nationally or an internationally recognised firm of independent accountants, together with a certificate signed by an authorised signatory of the Guarantor certifying that such translation is complete and accurate.

The Trustee shall not be required to review the audited annual consolidated financial statements of the Group, the semi-annual consolidated financial statements of the Group or any other financial reports delivered to it as contemplated in this Condition 3(e) and, if the same shall not be in the English language, shall not be required to investigate or verify the accuracy or completeness of any English language translation of any financial reports or request or obtain or arrange for an English language translation of the same, and the Trustee shall not be liable to any Holder or any other person for not doing so.

(f) Compliance Certificate

So long as any Security remains outstanding, each of the Issuer and the Guarantor shall send to the Trustee a Compliance Certificate (on which the Trustee may rely conclusively without investigation or verification as to such compliance) (A) within 14 days of a written request therefor from the Trustee; and (B) at the same time as the provision of the audited annual consolidated financial statements referred to in Condition 3(e)(i) above.

The Trustee shall be entitled to rely conclusively upon such Compliance Certificates of the Issuer and the Guarantor given without further verification or investigation as contemplated in these Conditions and shall not be liable to any Holder or any other person for so relying upon such certificates.

4. DISTRIBUTION

(a) Distribution

Subject to paragraph (d) below, the Securities confer a right to receive distribution (each a "**Distribution**") from, and including 29 October 2026 (the "**Issue Date**") at the Distribution Rate in accordance with this Condition 4. Subject to paragraph (d) below, Distribution shall be payable on the Securities semi-annually in arrear in equal instalments on 29 April and 29 October of each year (each, a "**Distribution Payment Date**"), commencing on 29 April 2027. If any Distribution Payment Date would otherwise fall on a day which is not a business day, it shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding business day.

Distribution in respect of any Security shall be calculated per CNY10,000 in principal amount of the Securities (the "**Calculation Amount**"). The amount of Distribution payable per Calculation Amount for any period shall be equal to the product of the rate of Distribution specified above, the Calculation Amount and the actual number of days in the relevant period divided by 365, rounding the resulting figure to the nearest CNY0.01 (CNY0.005 being rounded upwards).

(b) Rate of Distribution

Subject to paragraph (e) below, the rate of distribution ("**Distribution Rate**") applicable to the Securities shall be:

(i) in respect of the period from, and including, the Issue Date to, but excluding, 29 October 2029 (the "**First Reset Date**"), the Initial Distribution Rate; and

(ii) in respect of the period (A) from, and including the First Reset Date, to but excluding, the Reset Date falling immediately after the First Reset Date, and (B) from, and including, each Reset Date falling after the First Reset Date to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate.

(c) Distribution Accrual

Unless otherwise provided for in these Conditions, each Security will cease to confer the right to receive any Distribution from and including the due date for redemption unless, upon due presentation, payment of the full amount due is improperly withheld or refused. In such event, Distribution shall continue to accrue as provided in the Trust Deed. In such latter event, Distribution will continue to accrue at the applicable rate (both before and after judgement) up to but excluding whichever is the earlier of (i) the date on which all sums due in respect of such Security up to that day are received by or on behalf of the relevant Holder and (ii) the day which is three business days after the CMU Lodging and Paying Agent or the Trustee has notified the Holders that it has received all sums due in respect of the Securities up to such third business day (except to the extent that there is a failure in the subsequent payment to the relevant Holders under these Conditions).

(d) Distribution Deferral

(i) Optional Deferral

The Issuer may, at its sole discretion, elect to defer (in whole or in part) any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice (an "**Optional Deferral Notice**")

to the Holders (in accordance with Condition 15 *(Notices)*), the Trustee and the CMU Lodging and Paying Agent in writing not less than seven business days prior to the relevant Distribution Payment Date (an "**Optional Deferral Event**").

(ii) No obligation to pay

The Issuer shall have no obligation to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with sub-paragraph (i) above.

(iii) Cumulative Deferral

Any Distribution deferred pursuant to this paragraph (d) shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect (in the circumstances set out in sub-paragraph (i) above) to further defer (in whole or in part) any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of Distribution. The Issuer is not subject to any limit as to the number of times Distribution and Arrears of Distribution can be deferred pursuant to this paragraph (d).

Each amount of Arrears of Distribution shall accrue Distribution as if it constituted the principal of the Securities at the prevailing Distribution Rate and the amount of such Distribution (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added (for the purpose of calculating the Additional Distribution Amount accruing thereafter) to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(iv) Restrictions in the case of Deferral

(A) The Issuer undertakes, and undertakes to procure its Subsidiaries, unless the Payment Condition has been fully satisfied or the Issuer or the relevant Subsidiary is otherwise permitted to do so by an Extraordinary Resolution of the Holders:

(1) not to declare or pay any discretionary dividends or distributions or make any other discretionary payment, and will procure that no discretionary dividend, distribution or other discretionary payment is made, in each case, on any Parity Securities or Junior Securities of the Issuer or the Guarantor (except (i) in relation to the Parity Securities of the Issuer or the Guarantor, as the case may be, on a pro-rata basis, or (ii) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants); and

(2) not, at its discretion redeem, reduce, cancel, buy-back or otherwise acquire for any consideration any Parity Securities or Junior Securities of the Issuer or the Guarantor (except (i) in relation to the Parity Securities of the Issuer or the Guarantor, as the case may be, on a pro-rata basis, (ii) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants, or (iii) as a result of the exchange or conversion of such Parity Securities for the Junior Securities of the Issuer or the Guarantor, as the case may be).

(B) The Guarantor undertakes, and undertakes to procure the Issuer and the Subsidiaries of the Guarantor, unless the Payment Condition has been fully satisfied or the Issuer, the Guarantor or the relevant Subsidiary is otherwise permitted to do so by an Extraordinary Resolution of the Holders:

(1) not to declare or pay any discretionary dividends or distributions or make any other discretionary payment, and will procure that no discretionary dividend, distribution or other discretionary payment is made, in each case, on any Parity Securities or Junior Securities of the Issuer or the Guarantor (except (i) in relation to the Parity Securities of the Issuer or the Guarantor, as the case may be, on a *pro-rata* basis, or (ii) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants); and

(2) not, at its discretion redeem, reduce, cancel, buy-back or otherwise acquire for any consideration any Parity Securities or Junior Securities of the Issuer or the Guarantor (except (i) in relation to the Parity Securities of the Issuer or the Guarantor, as the case may be, on a *pro-rata* basis, (ii) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants, or (iii) as a result of the exchange or conversion of such Parity Securities for the Junior Securities of the Issuer or the Guarantor, as the case may be).

Notwithstanding anything in this Condition 4(d)(iv), nothing in the above shall restrict the ability of the Issuer or the Guarantor to advance loans to any of their respective shareholders or shareholders of other Subsidiaries of the Guarantor or otherwise invest in such shareholders' or Subsidiaries' debt, howsoever issued or represented.

For the avoidance of doubt, the Issuer's right of optional deferral pursuant to Condition 4(d)(i) *(Distribution Deferral)* will not be affected solely as a result of the incurrence of any Parity Securities or Junior Securities.

In addition, the incurrence of any Parity Securities (including any senior indebtedness) or Junior Securities itself will not constitute a non-compliance or non-performance by the Issuer or the Guarantor of any of the restrictions set out in this Condition 4(d)(iv). A non-discretionary payment on, or redemption of, Parity Securities or Junior Securities (such as a scheduled payment of principal and interest on such Parity Securities or Junior Securities, which the issuer thereof has no right to defer) does not constitute a non-compliance or non-performance by the Issuer or the Guarantor of any of the restrictions set out in this Condition 4(d)(iv).

(v) Satisfaction of Arrears of Distribution by payment

The Issuer:

(A) may satisfy any Arrears of Distribution and Additional Distribution Amount (in whole or in part) at any time by giving notice of such election to the Holders (in accordance with Condition 15 *(Notices)*), the Trustee and the CMU Lodging and Paying Agent in writing not less than 5 nor more than 10 business days prior to the proposed payment date specified in such notice (which notice shall be irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution and Additional Distribution Amounts, on the payment date specified in such notice); and

(B) in any event shall satisfy any outstanding Arrears of Distribution and Additional Distribution Amount (in whole but not in part) on the earlier of:

(1) the date of redemption of the Securities in accordance with the redemption events set out in Condition 5 *(Redemption and Purchase)*;

(2) a Winding-Up of the Issuer; and

(3) the date of any substitution or variation in accordance with Condition 12(c) *(Substitution or Variation)*.

The Guarantor undertakes as a primary obligation, to pay all outstanding Arrears of Distribution and Additional Distribution Amount upon a Winding-Up of the Guarantor.

Any partial payment of outstanding Arrears of Distribution and any Additional Distribution Amount by the Issuer shall be shared by the Holders of all outstanding Securities on a pro-rata basis.

(vi) No default

Notwithstanding any other provision in these Conditions or in the Trust Deed, the deferral of any Distribution payment in accordance with this paragraph (d) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 8 *(Non-payment))* on the part of the Issuer or the Guarantor under the Guarantee or for any other purpose.

(e) Increase in Distribution Rate following occurrence of certain events

(i) Increase in Distribution Rate

Upon the occurrence of a Step-Up Event, unless (x) an irrevocable notice in writing to redeem the Securities has been given by the Issuer to Holders (in accordance with Condition 15 *(Notices)*), the Trustee and the CMU Lodging and Paying Agent pursuant to Condition 5 *(Redemption and Purchase)* by the 30th day following the occurrence of the relevant Step-Up Event or (y) the relevant Step-Up Event is remedied by the 30th day following the occurrence of such relevant Step-Up Event, the Distribution Rate will increase by 3.00 per cent per annum with effect from (a) the next Distribution Payment Date immediately following the occurrence of the relevant Step-Up Event or (b) if the date on which the relevant Step-Up Event (as applicable) occurs is prior to the most recent preceding Distribution Payment Date, such Distribution Payment Date, **provided that** the maximum aggregate increase in the Distribution Rate pursuant to this paragraph (e) shall be 3.00 per cent. per annum and the Distribution Rate shall not exceed the Maximum Distribution Rate. For the avoidance of doubt, any increase in the Distribution Rate pursuant to this paragraph (e) is separate from and in addition to any increase in the Distribution Rate pursuant to sub-paragraph (b)(ii) above.

Any increase in the Distribution Rate pursuant to this paragraph (e) shall be notified by the Issuer to the Holders (in accordance with Condition 15 *(Notices)*), the Trustee and the Agents in writing no later than the 30th day following the occurrence of the relevant Step-Up Event.

(ii) Decrease in Distribution Rate

If following an increase in the Distribution Rate after a Step-Up Event, such Step-Up Event is cured or no longer exists, upon written notice of such facts being given to the Holders (in accordance with Condition 15 (*Notices*)), the Trustee and the CMU Lodging and Paying Agent, the Distribution Rate shall be decreased by 3.00 per cent per annum with effect from (and including) the Distribution Payment Date immediately

following the date falling 30 days after the date on which the Trustee receives notice of such Step-Up Event being cured or no longer existing **provided that** the maximum aggregate decrease in the Distribution Rate pursuant to this paragraph (e) shall be 3.00 per cent per annum.

5. REDEMPTION AND PURCHASE

(a) No fixed redemption

The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (without prejudice to Condition 8 *(Non-payment)*), only have the right to redeem or purchase them in accordance with the following provisions of this Condition 5 *(Redemption and Purchase)*.

(b) Redemption at the option of the Issuer

The Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not less than 30 nor more than 60 days' irrevocable notice (in accordance with Condition 15 *(Notices)*) to the Holders (which notice shall be irrevocable), the Trustee and the CMU Lodging and Paying Agent at their principal amount (together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)):

(i) from (and including) 29 July 2029 (being the date that falls three months prior to the First Reset Date) up to (and including) the First Reset Date; or

(ii) on any Distribution Payment Date after the First Reset Date,

(each, a "**Call Date**"). On expiry of any such notice as is referred to in this paragraph (b), the Issuer shall be bound to redeem the Securities on the relevant Call Date in accordance with this paragraph (b).

(c) Redemption for tax reasons

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (in accordance with Condition 15 *(Notices)*) to the Holders (which notice shall be irrevocable), the Trustee and the CMU Lodging and Paying Agent at their principal amount, together with any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), if, immediately before giving such notice, the Issuer satisfies the Trustee that:

(i) (A) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 7 *(Taxation)* as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 22 October 2026; and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

(ii) (A) the Guarantor has or (if a demand was made under the Guarantee) would become obliged to pay Additional Tax Amounts as provided or referred to in Condition 7 *(Taxation)* or the Guarantee, as the case may be as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in

the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 22 October 2026 and (B) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it (this paragraph (ii) and the paragraph (i) above, each a "**Gross-Up Event**"),

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such Additional Tax Amounts if a payment in respect of the Securities were then due or (as the case may be) a demand under the Guarantee were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph (c), the Issuer shall deliver or procure that there is delivered to the Trustee:

(A) a certificate in English signed by an authorised signatory of the Issuer stating that the circumstances referred to in (i)(A) and (i)(B) above prevail and setting out the details of such circumstances or (as the case may be) a certificate signed by an authorised signatory of the Guarantor stating that the circumstances referred to in (ii)(A) and (ii)(B) above prevail and setting out details of such circumstances; and

(B) an opinion in form and substance reasonably satisfactory to the Trustee of independent legal advisers or accounting firm of recognised standing to the effect that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendment.

The Trustee shall be entitled, without being liable to Holders or any other Person, to conclusively rely on such certificate and opinion without investigation and to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in (i)(A) and (i)(B) or (as the case may be) (ii)(A) and (ii)(B) above, in which event they shall be conclusive and binding on the Holders.

Upon the expiry of any such notice period as is referred to in this paragraph (c), the Issuer shall be bound to redeem the Securities in accordance with this paragraph (c).

(d) Redemption for accounting reasons·

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on the Issuer giving not less than 30 nor more than 60 days' notice (in accordance with Condition 15 *(Notices)*) to the Holders (which notice shall be irrevocable), the Trustee and the CMU Lodging and Paying Agent at:

(i) 101 per cent of their principal amount together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), at any time before 29 July 2029 (being the date that falls three months prior to the First Reset Date); or

(ii) their principal amount, together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), at any time on or after 29 July 2029 (being the date that falls three months prior to the First Reset Date); or

if, immediately before giving such notice, the Issuer satisfies the Trustee that:

(A) as a result of any changes or amendments to, or a change or amendment to any interpretation of, International Financial Reporting Standards, the PRC Accounting Standards, or any other generally accepted accounting standards that

may be adopted by the Guarantor for the purposes of preparing the Guarantor's consolidated financial statements (the "**Guarantor Relevant Accounting Standards**"), the Securities in whole or in part must not or must no longer be recorded as **equity** of the Guarantor in the consolidated financial statements of the Guarantor pursuant to the Guarantor Relevant Accounting Standards (a "**Guarantor Accounting Event**"); or

(B) as a result of any changes or amendments to, or a change or amendment to any interpretation of, International Financial Reporting Standards, PRC Accounting Standards, or any other generally accepted accounting standards that may be adopted by CCCI for the purposes of preparing CCCI's consolidated financial statements (the "**CCCI Relevant Accounting Standards**", together with Guarantor Relevant Accounting Standards, the "**Relevant Accounting Standards**"), the Securities must not or must no longer be recorded as "**equity**" of CCCI in the consolidated financial statements of CCCI pursuant to the CCCI Relevant Accounting Standards (a "**CCCI Accounting Event**", together with the Guarantor Accounting Event, the "**Accounting Events**" and each an "**Accounting Event**").

Prior to the publication of any notice of redemption pursuant to this paragraph (d), the Issuer shall deliver or procure that there is delivered to the Trustee:

(C) a certificate, signed by an authorised signatory of the Guarantor or an authorised signatory of CCCI, as the case may be, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to so redeem have occurred and that such Accounting Event cannot be avoided by the Issuer (or, as the case may be, the Guarantor or CCCI) taking reasonable measures available to it; and

(D) an opinion, in form and substance reasonably satisfactory to the Trustee, of the independent auditors of the Guarantor or CCCI, as the case may be, stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to, or the relevant change or amendment to, the relevant interpretation of the Relevant Accounting Standards is due to take effect, provided, however, that no notice of redemption may be given under this paragraph (d) earlier than 90 days prior to the date on which the relevant change or amendment to, or change in the application or official interpretation of, the Relevant Accounting Standards is due to take effect in relation to the Issuer, the Guarantor or CCCI.

Upon the expiry of any such notice as is referred to in this paragraph (d), the Issuer shall be bound to redeem the Securities in accordance with this paragraph (d) **provided that** such date for redemption shall be no earlier than the last day before the date on which the Securities must not or must no longer be so recorded as "**equity**" of the Guarantor or CCCI, as the case may be, pursuant to the Relevant Accounting Standards.

The Trustee shall be entitled, without being liable to the Holders or any other Person, to conclusively rely on such certificate and opinion and to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (A) and (B) of this paragraph (d), in which event it shall be conclusive and binding on the Holders.

(e) Redemption for Change of Control

The Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not less than 30 nor more than 60 days' irrevocable notice (in accordance with Condition 15 *(Notices)*) to the Holders (which notice shall be irrevocable), the Trustee and the CMU Lodging and Paying Agent at:

(i) 101 per cent. of their principal amount together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), at any time before 29 July 2029 (being the date that falls three months prior to the First Reset Date); or

(ii) their principal amount, together with Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), at any time on or after 29 July 2029 (being the date that falls three months prior to the First Reset Date),

if a Change of Control Event occurs.

Prior to the publication of any notice of redemption pursuant to this paragraph (e), the Issuer shall deliver or procure that there is delivered to the Trustee a certificate, signed by an authorised signatory of the Guarantor, stating that the circumstances referred to above in this paragraph (e) prevail and setting out the details of such circumstances.

The Trustee shall be entitled, without being liable to the Holders or any other Person, to conclusively rely on such certificate without investigation and accept such certificate as sufficient evidence of the satisfaction of the circumstances set out above, in which event it shall be conclusive and binding on the Holders. Upon the expiry of any such notice as is referred to in this paragraph (e), the Issuer shall be bound to redeem the Securities in accordance with this paragraph (e).

(f) Redemption for a Breach of Covenant Event or a Relevant Indebtedness Default Event

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' irrevocable notice (in accordance with Condition 15 (*Notices*)) to the Holders (which notice shall be irrevocable), the Trustee and the CMU Lodging and Paying Agent at their principal amount (together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)) upon the occurrence of:

(i) a Breach of Covenant Event; or

(ii) a Relevant Indebtedness Default Event.

Upon the expiry of any such notice as is referred to in this paragraph (f), the Issuer shall be bound to redeem the Securities in accordance with this paragraph (f).

(g) Redemption for minimum outstanding amount

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' irrevocable notice (in accordance with Condition 15 (*Notices*)) to the Holders (which notice shall be irrevocable), the Trustee and the CMU Lodging and Paying Agent at their principal amount (together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution

and any Additional Distribution Amount)) if prior to the date fixed for redemption at least 90 per cent. in principal amount of the Securities originally issued has been redeemed or purchased and cancelled.

Upon the expiry of any such notice as is referred to in this paragraph (g), the Issuer shall be bound to redeem the Securities in accordance with this paragraph (g).

(h) No other redemption

The Issuer shall not be entitled to redeem the Securities and the Issuer shall not have any obligation to make any payment of principal in respect of the Securities otherwise than as provided in paragraphs (a) to (g) above.

(i) Purchase

The Issuer, the Guarantor or any of their respective Subsidiaries, the holding company of the Issuer or the Guarantor or any Subsidiary of such holding company may at any time purchase Securities in the open market or otherwise and at any price. The Securities so purchased, while held by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries, the holding company of the Issuer or the Guarantor or any Subsidiary of such holding company shall not entitle the Holder thereof to vote at any meetings of the Holders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the Holders or for the purposes of Condition 8(c), Condition 12(a) and Condition 13.

(j) Cancellation

All Securities so redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries, the holding company of the Issuer or the Guarantor or any Subsidiary of such holding company may be cancelled. Any Securities so cancelled may not be reissued or resold.

(k) No duty to monitor

The Trustee shall not be obliged to take any steps to ascertain whether a Step-Up Event or an Accounting Event or any other event under Condition 5 (Redemption and Purchase) that may trigger the option of redemption has occurred or to monitor the occurrence of any Step-Up Event or Accounting Event or any other event under Condition 5 (*Redemption and Purchase*) that may trigger the option of redemption, and shall not be liable to the Holders or any other person for not doing so.

(l) Calculations

Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying the calculations of any amount payable under any notice of redemption and shall not be liable to the Holders or any other person for not doing so.

6. PAYMENTS

(a) Principal

Payments of principal shall be made in Renminbi by wire transfer to a registered account of the relevant Holder. For the purpose of this Condition 6(a) (*Principal*) and Condition 6(b) (*Distribution*), Holder's "**registered account**" means the Renminbi account maintained by or

on behalf of it with a bank and (i) (in the case of redemption) upon surrender, or (ii) (in the case of part payment only) upon endorsement of the relevant Certificates at the specified office of the CMU Lodging and Paying Agent.

(b) Distribution

Payments of Distribution (including any Arrears of Distribution and any Additional Distribution Amount) shall be made in Renminbi by wire transfer to a registered account of the relevant Holder and (i) (in the case of Distribution payable on redemption) upon surrender, or (ii) (in the case of part payment only) upon endorsement of the relevant Certificates at the specified office of the CMU Lodging and Paying Agent.

(c) Payments subject to fiscal laws

All payments in respect of the Securities are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 *(Taxation),* and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 *(Taxation)*) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Holders in respect of such payments.

(d) Payments on business days

Payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated (i) (in the case of payments of principal and Distribution payable on redemption) on the later of the due date for payment and the day on which the relevant Certificate is surrendered (or, in the case of part payment only, endorsed) at the specified office of the CMU Lodging and Paying Agent and (ii) (in the case of payments of Distribution payable other than on redemption) on the due date for payment. A Holder of a Security shall not be entitled to any Distribution or other payment in respect of any delay in payment resulting from the due date for a payment not being a business day.

(e) Record date

Each payment in respect of a Security will be made to the person shown as the Holder in the Register at the close of business at the place of the Registrar's specified office on the fifteenth day before the due date for such payment (the **Record Date**).

*So long as the Securities are represented by the Global Certificate and the Global Certificate is held on behalf of the Operator, the CMU Lodging and Paying Agent will make payments to the Operator who will make payments to each CMU participant who is at the close of business on the Clearing System Business Day immediately prior to the date of payment shown in the records of the Operator as the holder of a particular principal amount of Securities (each an "**accountholder**"), where "Clearing System Business Day" means a day on which the CMU is operating and open for business. Such payment made in accordance thereof shall discharge the Issuer's obligations in respect of that payment. Any payments by the CMU participants to indirect participants will be governed by arrangements agreed between the CMU participants and the indirect participants and will continue to depend on the inter-bank clearing system and traditional payment methods. Such payments will be the sole responsibility of such CMU participants, and the Trustee, the CMU Lodging and Paying Agent and the other Agents shall have no liability to the Holders, the Issuer, the Guarantor,*

the CMU participants, the indirect participants or any other person in respect of any such payment. Save in the case of final payment, no presentation of the Global Certificate shall be required for such purpose.

(f) Partial payment

If the CMU Lodging and Paying Agent makes a partial payment in respect of any Securities, the Issuer shall procure that the amount and date of such payment are noted in the Register and, in the case of partial payment upon presentation of a Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Certificate.

7. TAXATION

All payments of principal, premium (if any) and Distribution (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities, the Trust Deed and under the Guarantee by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction or any political subdivision or any authority therein or thereof having power to tax, unless the withholding or deduction of the Taxes is required by law.

Where such withholding or deduction is made by the Issuer or (as the case may be) the Guarantor as a result of the Issuer or (as the case may be) the Guarantor being deemed to be a PRC tax resident by or on behalf of the PRC or any political subdivision thereof or authority therein or thereof having power to tax at the rate applicable on 22 October 2026 (the "**Applicable Rate**"), the Issuer or the Guarantor, as the case may be, will increase the amounts paid by it to the extent required, so that the net amount received by the Holders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

If the Issuer or the Guarantor is required to make (i) such deduction or withholding by or within the PRC, in excess of the Applicable Rate; or (ii) any deduction or withholding by or within the British Virgin Islands, the Issuer or the Guarantor, as the case may be, shall pay such additional amounts (the "**Additional Tax Amounts**") as will result in receipt by the Holders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Security:

(i) presented for payment by or on behalf of a Holder who is liable to the Taxes in respect of such Security by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Security; or

(ii) where (in the case of a payment of principal or Distribution on redemption) the relevant Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts if it had surrendered the relevant Certificate on the last day of such period of 30 days.

In these Conditions, "**Relevant Date**" means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received by the CMU Lodging and Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Holders.

Any reference in these Conditions to principal, premium (if any) or Distribution, Arrears of Distribution or Additional Distribution Amount shall be deemed to include any additional amounts in respect of such principal, premium (if any) or Distribution, Arrears of Distribution or Additional Distribution Amount (as the case may be) which may be payable under this Condition 7 or any undertaking given in addition to or in substitution of this Condition 7 pursuant to the Trust Deed.

If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than any of the Relevant Jurisdictions, references in these Conditions to the Relevant Jurisdiction shall be construed as references to such other jurisdiction.

Neither the Trustee nor the Agents shall be responsible for paying any tax, duty, charges, withholding, assessment or other payment referred to in this Condition 7 or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Issuer, the Guarantor, the Holders or any other Person to pay such tax, duty, charges, withholding, assessment or other payment in any jurisdiction and none of them shall be responsible or obliged to provide any notice or information to the Holders or any other persons that would permit, enable or facilitate the payment of any principal, Distribution, Arrears of Distribution, Additional Distribution Amount or other amount under or in respect of the Securities without deduction or withholding for or on account of any tax, duty, charges, withholding, assessment, deduction or other payment imposed by or in any jurisdiction.

8. NON-PAYMENT

(a) Non-payment when due

Notwithstanding any of the provisions below in this Condition 8, the right to institute proceedings for Winding-Up of the Issuer and/or the Guarantor is limited to circumstances where payment has become due and no payment has been made for a period of 14 days or more. In the case of any Distribution, such Distribution will not be due if the Issuer has elected to defer that Distribution in accordance with sub-paragraph (d)(i) to sub-paragraph (d)(iii) *(Distribution Deferral)* of Condition 4 *(Distribution)*.

(b) Proceedings for Winding-Up

(i) If (A) there is a Winding-Up of the Issuer or (B) the Issuer shall not make payment in respect of the Securities or under the Trust Deed for a period of 14 days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Trust Deed and the Securities and the Trustee may, subject to the provisions of paragraph (d) below, institute proceedings for the Winding-Up of the Issuer and/or prove in the Winding-Up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

(ii) Without prejudice to Condition 8(b)(i), if (A) there is a Winding-Up of the Guarantor or (B) the Guarantor shall not make payment in respect of the Guarantee or the Trust Deed for a period of 14 days or more after the date on which such payment is due, the Guarantor shall be deemed to be in default under the Trust Deed and the Guarantee and the Trustee may, subject to the provisions of Condition 8(d), institute proceedings for the Winding-Up of the Guarantor, prove in the Winding-Up of the Guarantor and/or claim in the liquidation of the Guarantor for such payment.

(c) Enforcement

Without prejudice to paragraph (b) but subject to the provisions of paragraph (d) below, the Trustee may at its sole and absolute discretion and without notice to the Issuer or the Guarantor institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce any term or condition binding on the Issuer and/or the Guarantor under the

Trust Deed, the Guarantee or the Securities (other than any payment obligation of the Issuer and/or the Guarantor under or arising from the Securities, the Guarantee or the Trust Deed, including, without limitation, payment of any principal, premium (if any) or Distribution (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities, including any damages awarded for breach of any obligations) and, in no event shall the Issuer or the Guarantor, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it. The rights and remedies of the Trustee and the Holders under the Securities and the Trust Deed are cumulative and not exclusive of any rights or remedies provided by law.

(d) Entitlement of Trustee

The Trustee shall not be obliged to take any of the actions referred to in paragraph (b) or (c) above against the Issuer or the Guarantor to enforce the terms of the Trust Deed, the Guarantee or the Securities unless (a) it shall have been so requested by an Extraordinary Resolution of the Holders or in writing by the Holders of at least one quarter of the aggregate principal amount of the Securities then outstanding and (b) it shall have been indemnified, secured or pre-funded to its satisfaction in accordance with the Trust Deed.

(e) Right of Holders

No Holder shall be entitled to proceed directly against the Issuer or the Guarantor or to institute proceedings for the Winding-Up of the Issuer or the Guarantor or claim in the liquidation of the Issuer or the Guarantor or to prove in such Winding-Up unless the Trustee, having become so bound to proceed or being able to prove in such Winding-Up or claim in such liquidation, fails to do so within a reasonable period and such failure shall be continuing, in which case the Holder shall have only such rights against the Issuer or the Guarantor as those which the Trustee is entitled to exercise as set out in this Condition 8.

(f) Extent of Holders' remedy

No remedy against the Issuer or the Guarantor, other than as referred to in this Condition 8, shall be available to the Trustee or the Holders, whether for the recovery of amounts owing in respect of the Securities, the Guarantee or under the Trust Deed or in respect of any breach by the Issuer or the Guarantor of any of their respective other obligations under or in respect of the Securities or the Trust Deed.

The Trustee shall have no obligation to monitor whether a non-payment under Condition 8(a) or Winding-Up has occurred in respect of the Issuer or the Guarantor and shall not be liable to the Holders, the Issuer, the Guarantor or any other person for not doing so.

9. PRESCRIPTION

Claims for payment in respect of the Securities shall become void unless the relevant Certificates are surrendered for payment within ten years (in the case of principal or premium (if any)) or five years (in the case of Distribution (including any Arrears of Distribution and any Additional Distribution Amount)) of the appropriate Relevant Date.

10. REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar and the Transfer Agent having its specified office in Hong Kong, subject to all applicable laws and stock exchange requirements or other relevant authority, upon payment by the claimant of the expenses incurred in connection with such replacement and on

such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require or, as the case may be, the Transfer Agent or the Registrar may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

11. TRUSTEE AND AGENTS

Under the Trust Deed, the Trustee is entitled to be indemnified, pre-funded or secured to its satisfaction and relieved from taking proceedings to enforce payment or taking other steps and/or actions and/or instituting any other proceedings unless first indemnified and/or secured and/or pre-funded to its satisfaction and for the Trustee to be paid or reimbursed for its fees, costs and expenses and indemnity payments and for any liabilities incurred by it in priority to the claims of the Holders. In addition, the Trustee, the Agents and their respective directors and officers are entitled to enter into business transactions with the Issuer, the Guarantor and any entity relating to the Issuer or the Guarantor or any other Person without being accountable for the same (including any profit therefrom) to the Holders or any Person. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity and/or security and/or pre-funding given to it by the Holders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty or the validity and effectiveness of the security.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (i) to enter into business transactions with the Issuer and/or the Guarantor and/or any of the Guarantor's other Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or the Guarantor and/or any of the Guarantor's other Subsidiaries, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Holders, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

In connection with the exercise by it of any of its functions, trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Holders as a class but shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders except to the extent already provided for in Condition 7 and/or any undertaking given in addition to, or in substitution for, Condition 7 pursuant to the Trust Deed.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer, the Guarantor (financial or otherwise) and any other person appointed by the Issuer or the Guarantor in relation to the Securities of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer or the Guarantor to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Holder, the Issuer, the Guarantor or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Holders. The Trustee shall be entitled to rely conclusively on any

direction, request or resolution of Holders given by Holders holding the requisite principal amount of Securities outstanding or passed at a meeting of Holders convened and held in accordance with the Trust Deed.

Each Holder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, the Guarantor and/or their respective Subsidiaries, and the Trustee shall not at any time have any responsibility or liability for the same and each Holder shall not rely on the Trustee in respect thereof.

In acting under the Agency Agreement and in connection with the Securities, the Agents act solely as agents of the Issuer, the Guarantor and (to the extent provided therein) the Trustee and do not assume any obligations or responsibilities towards or relationship of agency or trust for or with any of the Holders or any third parties.

The initial Agents and their initial specified offices are listed below. The Issuer and the Guarantor reserve the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar, CMU lodging and paying agent or calculation agent and additional or successor paying agents and transfer agents, **provided, however, that** the Issuer and the Guarantor shall at all times maintain (a) a CMU lodging and paying agent (b) a registrar (c) a calculation agent and (d) a transfer agent.

Notice of any change in any of the Agents or in their specified offices shall promptly be given to the Holders.

Neither the Trustee nor the Agents shall be required to monitor the occurrence of any Step-Up Event, Special Event or of any event under Condition 5 *(Redemption and Purchase)* that may trigger the option of redemption, and shall not be liable to the Issuer, the Guarantor, the Holders or any other Person for not doing so.

12. MEETINGS OF HOLDERS; MODIFICATION AND WAIVER

(a) Meetings of Holders

The Trust Deed contains provisions for convening meetings of Holders to consider matters relating to the Securities, including the modification of any provision of these Conditions, the Deed of Guarantee or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) or by the Trustee and shall be convened by the Trustee upon the request in writing of Holders holding not less than one-tenth of the aggregate principal amount of the outstanding Securities provided that the Trustee shall have been indemnified and/or pre-funded and/or secured to its satisfaction. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing more than half of the aggregate principal amount of the outstanding Securities or, at any adjourned meeting, two or more persons being or representing Holders whatever the principal amount of the Securities held or represented, provided, however, that certain proposals (including any proposal to (i) modify the circumstances in which the Securities may be redeemed or the circumstances in which Distribution (including any Arrears of Distribution or Additional Distribution Amounts) are payable or may be deferred or (ii) to reduce or cancel the principal amount of, or Distribution (including any Arrears of Distribution or Additional Distribution Amounts) on or to vary the method of calculating the Distribution Rate or to reduce the Distribution Rate in respect of the Securities (other than as provided under these Conditions) or (iii) to change the currency of payments under the Securities or (iv) to amend the terms of the Guarantee or (v) to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**")), may only be sanctioned by an Extraordinary

Resolution passed at a meeting of Holders at which two or more persons holding or representing not less than two-thirds or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Securities form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Holders, whether present or not.

The Trust Deed provides that a resolution passed (i) at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Securities for the time being outstanding or (iii) consent given by way of Electronic Consent (as defined in the Trust Deed) through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in principal amount of the Securities for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution. An Extraordinary Resolution passed at any meeting of the Holders will be binding on all Holders, whether or not they are present and whether or not they voted at the meeting at which such resolution was passed. An Extraordinary Resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more Holders.

So long as the Securities are represented by the Global Certificate and the Global Certificate is held on behalf of the Operator, a resolution passed by Electronic Consent shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Securityholders duly convened and held.

(b) Modification and waiver

The Trustee may (but shall not be obliged to), without the consent of the Holders, agree to any modification of these Conditions, the Deed of Guarantee or the Trust Deed (in each case, other than in respect of a Reserved Matter) or the Agency Agreement which, in the opinion of the Trustee, will not be materially prejudicial to the interests of Holders and to any modification of these Conditions, the Securities, the Deed of Guarantee, the Trust Deed or the Agency Agreement which, in the opinion of the Trustee, is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the Holders, authorise or waive any proposed breach or breach of the Securities or of any of the provisions of the Deed of Guarantee, the Trust Deed or the Agency Agreement if, in the opinion of the Trustee, the interests of the Holders will not be materially prejudiced thereby.

The Trustee may request and conclusively rely upon a certificate signed by an authorised signatory and/or an opinion of counsel concerning the compliance with the above conditions in respect of any modification, waiver and/or authorisation. Any such authorisation, waiver or modification shall be notified to the Holders by the Issuer as soon as practicable thereafter.

(c) Substitution or Variation

If a Special Event has occurred and is continuing, then the Issuer may at its option, subject to Condition 4 *(Distribution)* (without any requirement for the consent or approval of the Holders) and subject to it having satisfied the Trustee immediately prior to the giving of any notice referred to in this Condition 12(c) *(Substitution or Variation)* that the provisions of this Condition 12(c) *(Substitution or Variation)* have been complied with, and having given not less than 30 nor more than 60 days' irrevocable notice in writing to the Trustee and the CMU Lodging and Paying Agent and, in accordance with Condition 15 *(Notices)*, to the Holders, at any time either (i) substitute all, but not some only, of the Securities for, or (ii)

vary the terms of the Securities with the effect that they remain or become (as the case may be), Qualifying Securities, and the Trustee shall (subject to the following provisions of this Condition 12(c) *(Substitution or Variation)* and subject to the receipt by it of the certificate in English of an authorised signatory of the Issuer referred to in the definition of Qualifying Securities, on which the Trustee may rely absolutely) agree to such substitution or variation. Any such substitution or variation agreed to by the Trustee as aforesaid shall be binding on the Holders.

Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Securities in accordance with this Condition 12(c) *(Substitution or Variation)*. In connection therewith, any outstanding Arrears of Distribution (including any Additional Distribution Amount) shall be satisfied in full in accordance with the provisions of Condition 4(d)(v) *(Satisfaction of Arrears of Distribution by payment)*.

In connection with any substitution or variation in accordance with this Condition 12(c) *(Substitution or Variation)*, the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

Any such substitution or variation in accordance with the foregoing provisions of this Condition 12(c) (Substitution or Variation) shall not be permitted if any such substitution or variation would itself give rise to a Special Event with respect to the Securities or the Qualifying Securities.

(d) Certificates and reports

The Trustee and Agents may each rely conclusively without investigation or verification, and may act or refrain from acting, in each case without liability to Holders, the Issuer, the Guarantor or any other person on the advice, opinion or report of or any information, confirmation or certificate obtained from any lawyer, valuer, accountant, auditor, surveyor, banker, broker, auctioneer, or other expert (whether obtained by the Issuer, the Guarantor, the Trustee or otherwise, whether or not addressed to the Trustee, and whether or not the advice, opinion, report, information, confirmation or certificate or any engagement letter or other related document, contains a monetary or other limit on liability or limits the scope or basis of such advice, opinion, report or information). The Trustee and the Agents may each accept and shall be entitled to rely conclusively on any such report, information, confirmation, certificate, opinion or advice, in which case such report, information, confirmation, certificate, opinion or advice shall be binding on the Issuer, the Guarantor and the Holders. The Trustee and the Agents will not be responsible to anyone for any liability occasioned by so acting or refrain from acting.

(e) Directions from Holders

Notwithstanding anything to the contrary in these Conditions or the Trust Deed, whenever the Trustee is required or entitled by the terms of these Conditions, the Trust Deed, the Agency Agreement or the Deed of Guarantee to exercise any discretion or power, take any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking or refraining from taking any such action, making any such decision, or giving any such direction or certification, to seek directions or clarification of the directions from the Holders by way of an Extraordinary Resolution and shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all action, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including legal expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power,

taking or refraining from taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions or clarifications from the Holders or in the event that no direction or clarification is given to the Trustee by the Holders.

13. ENFORCEMENT

The Trustee may at any time, at its sole and absolute discretion and without notice, institute such actions, steps or proceedings as it thinks fit to enforce its rights under the Deed of Guarantee, the Trust Deed and the Agency Agreement and in respect of the Securities, but it shall not be bound to do so unless:

(a) it has been so requested in writing by the Holders of at least one quarter of the aggregate principal amount of the outstanding Securities or has been so directed by an Extraordinary Resolution; and

(b) it has been indemnified, prefunded or provided with security to its satisfaction.

No Holder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

The Trustee may refrain from taking any steps or actions or instituting any proceedings in any jurisdiction that would, in its opinion, be contrary to any law of that jurisdiction or that would otherwise render it liable to any person in that jurisdiction or if, in its opinion, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

14. FURTHER ISSUES

Subject to compliance with paragraph (b) *(Undertakings in relation to the Guarantee)* of Condition 3 *(Negative Pledge and other Covenants)*, the Issuer may from time to time, without the consent of the Holders and in accordance with the Trust Deed, create and issue further securities having the same terms and conditions as the Securities in all respects (or in all respects except for the first payment of Distribution and the timing for the NDRC Post-issue Filing and the SAFE Registration) so as to be consolidated and form a single series with the Securities. References in these Conditions to the Securities include (unless the context requires otherwise) any other securities issued pursuant to this Condition 14 and forming a single series with the Securities. Any further securities forming a single series with the outstanding Securities shall be constituted by a deed supplemental to the Trust Deed and be guaranteed by the Guarantor pursuant to a deed supplemental to the Deed of Guarantee or an additional deed of guarantee.

15. NOTICES

Notices to Holders will be sent to them by uninsured mail (or its equivalent) at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

So long as the Securities are represented by the Global Certificate and the Global Certificate is held on behalf of the Operator, notices to Holders shall be given by delivery of the relevant notice to the CMU, for communication by CMU to entitled accountholders in substitution for notification as required by the Conditions, and such notice shall be deemed to be received by the Holders on the date of delivery of such notice to CMU. Indirect participants will have to rely on the CMU participants (through whom they hold the Securities, in the form of interests in the Global Certificate) to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants.

16. CURRENCY INDEMNITY

If any sum due from the Issuer or the Guarantor in respect of the Securities or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer or the Guarantor, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Securities, the Issuer and the Guarantor shall indemnify the Trustee and each Holder, on the written demand of the Trustee or such Holder addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which the Trustee or such Holder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of each of the Issuer and the Guarantor and shall give rise to a separate and independent cause of action.

17. GOVERNING LAW AND JURISDICTION

(a) Governing law

The Securities, the Deed of Guarantee and the Trust Deed and any non-contractual obligations arising out of or in connection with the Securities, the Deed of Guarantee and the Trust Deed are governed by, and will be construed in accordance with, English law, except that the subordination provisions applicable to (i) the Issuer set out in Condition 1(b) (*Form, Denomination, Status, Ranking and Guarantee – Status of the Securities*), Condition 1(d) (*Form, Denomination, Status, Ranking and Guarantee – Ranking of claims in respect of the Securities*) and Condition 1(f) (*Form, Denomination, Status, Ranking and Guarantee – Set-off – Securities*) shall be governed by, and construed in accordance with, the laws of the British Virgin Islands and (ii) the Guarantor set out in Condition 1(c) (*Form, Denomination, Status, Ranking and Guarantee – Guarantee*), Condition 1(e) (*Form, Denomination, Status, Ranking and Guarantee – Ranking of claims in respect of the Guarantee*), Condition 1(g) (*Form, Denomination, Status, Ranking and Guarantee – Set-off – Guarantee*), clause 4.1 of the Trust Deed and clause 4.7 of the Deed of Guarantee shall be governed by, and construed in accordance with, the laws of the PRC.

(b) Jurisdiction

The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Securities (a "**Dispute**") and accordingly any legal action or proceedings arising out of or in connection with the Securities ("**Proceedings**") may be brought in such courts. Each of the Issuer, the Guarantor, the Trustee, the Agents and any Holder irrevocably submits to the exclusive jurisdiction of the courts of Hong Kong and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(c) Service of Process

Each of the Issuer and the Guarantor hereby irrevocably appoints CCCI to accept service of process in Hong Kong in respect of any Proceedings at Room 2805, 28/F, Office Tower. Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong. Each of the Issuer and the Guarantor undertakes that in the event of such agent ceasing so to act it will appoint another person as its agent for that purpose. Nothing in this clause shall affect the right to serve process in any other manner permitted by law.

18. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Security, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. DEFINITIONS

In these Conditions:

"**Accounting Event**" has the meaning ascribed to it in paragraph (d) (*Redemption for accounting reasons)* of Condition 5 *(Redemption and Purchase)*;

"**Additional Distribution Amount**" has the meaning ascribed to it in sub-paragraph (d)(iii) *(Cumulative Deferral)* of Condition 4 *(Distribution)*;

"**Additional Tax Amounts**" has the meaning ascribed to it in Condition 7 *(Taxation)*;

"**Arrears of Distribution**" has the meaning ascribed to it in sub-paragraph (d)(iii) *(Cumulative Deferral)* of Condition 4 *(Distribution)*;

"**Board of Directors**" means the board of directors elected or appointed by the relevant shareholders of the Issuer or the Guarantor, as applicable, to manage the business of the Issuer or the Guarantor, or any committee of such board duly authorised to take the action purported to be taken by such committee;

"**Bloomberg CNTBI3 Index Page**" means the Bloomberg screen designated "CNTBI3 Index" (or any successor page or service which tracks the yield-to maturity of RMB denominated PRC government dim sum bonds with years to maturity of three years);

"**Breach of Covenant Event**" means the occurrence of (a) a Covenant Breach and (b) as requested in writing by the Holders of at least 25 per cent. in aggregate principal amount of the Securities outstanding, the Trustee giving notice in writing to the Issuer that the Distribution Rate will be adjusted in accordance with Condition 4(e)(i) (*Increase in Distribution Rate*) unless the Securities are redeemed in accordance with Condition 5(f) *(Redemption for a Breach of Covenant Event or a Relevant Indebtedness Default Event)*;

"**business day**" means: (a) in respect of Condition 2 (*Register, Title and Transfers*), a day, excluding a Saturday and a Sunday, on which commercial banks are generally open for business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the Transfer Agent has its specified office, (b) in respect of Condition 4 *(Distribution)*, any day, excluding a Saturday and a Sunday, on which commercial banks are generally open for business (including dealings in foreign currencies) and settlement of Renminbi payments in Hong Kong, and (c) in respect of Condition 6 *(Payments)*, any day, excluding a Saturday and a Sunday, on which (i) commercial banks are generally open for business (including dealings in foreign currencies) and settlement of Renminbi payments in Hong Kong and (ii) the CMU is operating and open for business and (iii) in the case of surrender (or, in the case of part payment only, endorsement) of a Certificate, in the place in which the Certificate is surrendered (or, as the case may be, endorsed);

"**Call Date**" has the meaning ascribed to it in paragraph (b) *(Redemption at the option of the Issuer)* of Condition 5 *(Redemption and Purchase)*;

"**CCCI**" means CCCC International Holding Limited;

"**Change of Control Event**" means subject to sub-paragraph (e)(ii) (*Decrease in Distribution Rate)* of Condition 4 *(Distribution)*, the occurrence of Change of Control (as defined below);

"**Change of Control**" means (i) the PRC government ceases to directly or indirectly Control (as defined below) the Guarantor or (ii) the Guarantor ceases to directly or indirectly Control (as defined below) CCCI or (iii) CCCI ceases to directly or indirectly own and control 100 per cent. of the issued and outstanding share capital of the Issuer or (iv) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of the Guarantor's assets to any other Person or Persons, acting together, except where such Person(s) is/are Controlled, directly or indirectly by the PRC government;

"**Comparable Sovereign Bond Issue**" means any RMB-denominated and settled fixed-rate sovereign bond issued by The Ministry of Finance of the People's Republic of China (中華人民共和國財政部) and distributed outside of the PRC as selected by the Independent Investment Bank as having years to maturity of approximately three years which would, at the time of selection and in accordance with customary financial practice, be used as a benchmark rate in pricing new issues of corporate debt securities with a maturity of three years, and as notified by the Issuer to the Calculation Agent before 12:00 p.m. (Hong Kong time) on the Reset Determination Date;

"**Compliance Certificate**" means a certificate of the Issuer and the Guarantor in English substantially in the form set out in the Trust Deed signed by their respective authorised signatories that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer and the Guarantor as at a date (the "**Certification Date**") not more than five days before the date of the certificate:

(i) no Step-Up Event (other than a Change of Control Event) had occurred since the Certification Date of the last such certificate or (if none) the date of the Trust Deed and Deed of Guarantee or, if such an event had occurred, giving details of it; and

(ii) each of the Issuer and Guarantor has complied with all its obligations under the Trust Deed, and Deed of Guarantee and the Securities or, if non-compliance had occurred, giving details of it.

"**Control**" over a Person means (where applicable): (i) the ownership or control of more than 50 per cent of the Voting Rights of the issued share capital of a Person or (ii) the ability to nominate or designate no less than 50 per cent of the members then in office of a Person's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise or (iii) the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person or (iv) where a Person is a Subsidiary (direct or indirect) of the other Person. For the avoidance of doubt, a Person is deemed to Control another Person so long as it fulfils one of the four foregoing requirements; the term "**Controlled**" has a meaning correlative to the foregoing;

"**Covenant Breach**" means a non-compliance and/or non-performance by the Issuer and/or the Guarantor of any one or more of its obligations and covenants set out in Condition 3 (*Negative Pledge and Other Covenants)* and sub-paragraph d(iv) (*Restrictions in the case of Deferral*) of Condition 4 (Distribution);

"**Distribution**" has the meaning ascribed to it in paragraph (a) (Distribution) of Condition 4 (*Distribution*) and includes Arrears of Distribution and Additional Distribution Amount (if any) whether or not so specified in these Conditions;

"**Distribution Payment Date**" has the meaning ascribed to it in paragraph (a) *(Distribution)* of Condition 4 *(Distribution)*;

"**Distribution Rate**" has the meaning ascribed to it in paragraph (b) (*Rate of Distribution*) of Condition 4 (*Distribution*);

"**First Reset Date**" has the meaning ascribed to it in sub-paragraph (b)(i) (*Rate of Distribution*) of Condition 4 (*Distribution*);

"**Group**" means the Guarantor and its Subsidiaries, taken as a whole;

"**Guarantee**" has the meaning ascribed to it in paragraph (c) (*Guarantee*) of Condition 1 (*Form, Denomination, Status, Ranking and Guarantee*);

"**Holder**" has the meaning ascribed to it in paragraph (a) (*Register*) of Condition 2 (*Register; Title and Transfers*);

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Independent Investment Bank**" means an independent investment bank of international repute (acting as an expert) selected by the Issuer (at the expense of the Issuer, failing whom, the Guarantor) and notified in writing to the Trustee;

"**Indebtedness for Borrowed Money**" means any indebtedness for borrowed money (whether being principal, premium, interest or other amounts and includes any notes, bonds, debentures, debenture stock, loan stock or other securities);

"**Initial Distribution**" Rate means 1.90 per cent. per annum;

"**Issue Date**" has the meaning ascribed to it in paragraph (a) (*Distribution*) of Condition 4 (*Distribution*);

"**Junior Securities**" means

(a) in respect of the Issuer, (i) any class of the Issuer's shares (including without limitation any preference shares) and (ii) any security or instrument issued, entered into or guaranteed by the Issuer which ranks, or is expressed to rank, by its terms or by operation of law, junior to the obligations of the Issuer under the Securities; and

(b) in respect of the Guarantor, (i) any class of the Guarantor's shares (including without limitation any preference shares) and (ii) any security or instrument issued, entered into or guaranteed by the Guarantor which ranks, or is expressed to rank, by its terms or by operation of law, junior to the obligations of the Guarantor under the Guarantee;

"**Macau**" means the Macau Special Administrative Region of the People's Republic of China;

"**Maximum Distribution Rate**" means:

(a) in respect of each Distribution Payment Date, the period from, and including, the Issue Date to, but excluding, the First Reset Date, the Initial Distribution Rate plus 3.00 per cent. per annum; and

(b) in respect of the period (A) from, and including the First Reset Date, to, but excluding, the Reset Date falling immediately after the First Reset Date, and (B) from, and including, each Reset Date falling after the First Reset Date to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate plus 3.00 per cent. per annum;

"**NDRC**" means the National Development and Reform Commission of the PRC;

"**Optional Deferral Event**" has the meaning ascribed to it in paragraph (d) (*Distribution Deferral*) of Condition 4 (*Distribution*);

"**Optional Deferral Notice**" has the meaning ascribed to it in paragraph (d) (*Distribution Deferral*) of Condition 4 (*Distribution*);

"**Parity Securities**" means (a) in respect of the Issuer, any instrument or security issued, entered into or guaranteed by the Issuer, which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Securities; and (b) in respect of the Guarantor, any instrument or security issued, entered into or guaranteed by the Guarantor, which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Guarantee;

"**Payment Condition**" means the Issuer having satisfied in full all outstanding Arrears of Distribution and Additional Distribution Amount;

"**Permitted Security Interest**" means any Security Interest on any revenue, assets or undertakings (including any uncalled capital) existing at the time of acquisition of such property or asset, provided that the aggregate value of such assets at any time shall not exceed 10 per cent. of the consolidated gross asset of the Guarantor (as shown by the latest consolidated financial statements of the Guarantor provided to the Trustee);

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity);

"**PRC**" means the People's Republic of China, which, solely for the purposes of these Conditions, excludes Hong Kong, Macau and Taiwan;

"**PRC Accounting Standards**" means the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC on 15 February 2006, and the Application Guidance for Accounting Standards for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued thereafter, as amended from time to time;

"**PRC Business Day**" means a day (other than a Saturday, Sunday or a public holiday) on which banks in Beijing, the PRC are not authorised or obliged by law or executive order to be closed;

"**Principal Subsidiary**" means any Subsidiary of the Guarantor:

(a) whose total revenue (consolidated in the case of a Subsidiary which has Subsidiaries) as shown by its latest audited income statement, is at least 10 per cent. of the consolidated total revenue as shown by the latest published audited income statement of the Guarantor and its consolidated Subsidiaries; or

(b) whose profit before income tax (consolidated in the case of a Subsidiary which itself has Subsidiaries) as shown by its latest audited income statement, is at least 10 per cent. of the consolidated profit before income tax as shown by the latest published audited consolidated income statement of the Guarantor and its consolidated Subsidiaries, including for the avoidance of doubt, the Guarantor and its consolidated Subsidiaries' share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or

(c) whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) as shown by its latest audited balance sheet, are at least 10 per cent. of the consolidated total assets of the Guarantor and its Subsidiaries as shown by the latest published audited consolidated balance sheet of the Guarantor and its Subsidiaries, including the investment of

the Guarantor and its consolidated Subsidiaries in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of such Guarantor and of associated companies and after adjustment for minority interests,

provided that, in relation to (a), (b) and (c) above

(i) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Guarantor relate, the reference to the then latest consolidated audited accounts of the Guarantor and its Subsidiaries for the purposes of the calculation above shall, until consolidated audited accounts of the Guarantor for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published, be deemed to be a reference to the then latest consolidated audited accounts of the Guarantor and its Subsidiaries adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;

(ii) if at any relevant time in relation to the Guarantor or any Subsidiary which itself has Subsidiaries, no consolidated accounts are prepared and audited, total revenue, profit before income tax or total assets of the Guarantor and/or any such Subsidiary shall be determined on the basis of *pro forma* consolidated accounts prepared for this purpose by or on behalf of the Guarantor;

(iii) if at any relevant time in relation to any Subsidiary, no accounts are audited, its total assets (consolidated, if appropriate) shall be determined on the basis of *pro forma* accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by or on behalf of the Guarantor; and

(iv) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Guarantor, then the determination of whether or not such Subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Guarantor; or

(d) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, whereupon the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall immediately become a Principal Subsidiary, provided that on or after the date on which the first published audited accounts (consolidated, if appropriate) of the Guarantor prepared as of a date later than such transfer are issued, whether or not such transferor Subsidiary or transferee Subsidiary would continue to be a Principal Subsidiary shall be determined on the basis of such accounts by virtue of the provisions of (a), (b) or (c) above.

A certificate signed by any authorised signatory of the Guarantor that in its opinion a Subsidiary is or is not or was or was not at any particular time or during any particular period a Principal Subsidiary of the Guarantor may be relied upon by the Trustee without further enquiry or evidence and shall be conclusive and binding on the Trustee, the Agents and the Holders;

"**Proceedings**" has the meaning ascribed to it in Condition 17 (*Governing Law and Jurisdiction*);

"**Qualifying Securities**" means securities that

(a) have terms not materially less favourable to an investor than the terms of the Securities, and provided that certification to such effect (and confirming that the conditions set out in (i) to (iv) below of this definition have been satisfied) of (a) any authorised signatory of the Issuer and (b) an Independent Investment Bank, shall have been delivered to the Trustee prior to the substitution or variation of the relevant Securities upon which certificates the Trustee shall rely absolutely), provided that (i) they are issued by the Issuer or any wholly-owned direct or indirect Subsidiary of the Guarantor; (ii) they are unconditionally and irrevocably guaranteed by the Guarantor; (iii) they shall rank pari passu on a Winding-Up with the Securities, shall preserve the Holders' rights to any Arrears of Distribution, any Additional Distribution Amount and any other payment that has accrued with respect to the relevant securities, and shall contain terms which provide at least for the same Distribution Rate, Distribution Payment Dates and redemption events, from time to time applying to the Securities and otherwise have substantially identical (as reasonably determined by the Issuer and an Independent Investment Bank) terms to the Securities, save where any modifications to such terms are required to be made to avoid the occurrence of a Gross-Up Event or, as the case may be, an Accounting Event and (iv) they shall not contain loss absorbing provisions, such as principal write-offs, write-downs or conversion to equity; and

(b) are listed on The Stock Exchange of Hong Kong Limited or such other stock exchange of international standing;

"**Register**" has the meaning ascribed to it in paragraph (a) *(Register)* of Condition 2 (*Register, Title and Transfers*);

"**Registration Deadline**" means the day falling 150 PRC Business Days after the Issue Date;

"**Registration Documents**" means (i) a certificate in substantially the form set out in the Trust Deed of any duly authorised signatory of the Guarantor confirming the completion of the SAFE Registration and the completion of the NDRC Post-issue Filing as described in paragraph (b) (*Undertakings in relation to the Guarantee*) and paragraph (c) (*Notification to NDRC*) of Condition 3 (*Negative Pledge and Other Covenants*) and (ii) certified true copies of the relevant SAFE Registration certificates (if applicable) and certified true copies of the relevant documents evidencing the NDRC Post-issue Filing and any other document evidencing the completion of registration issued by SAFE and the NDRC Post-issue Filing and the particulars of registration.

The Trustee shall have no obligation or duty to verify the accuracy, validity or genuineness of any documents in relation to or in connection with the Registration Documents and shall not be liable to Holders or any Person for not doing so;

"**Relevant Accounting Standards**" has the meaning ascribed to it in paragraph (d) *(Redemption for accounting reasons)* of Condition 5 (*Redemption and Purchase*);

"**Relevant Indebtedness**" means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) in the form of or represented by any notes, bonds, debentures, debenture stock, loan stock, certificates of deposit or other similar securities distributed outside the PRC which, (a) have an original maturity in excess of one year and (b) for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market and (ii) any guarantee or indemnity of any such indebtedness;

"**Relevant Indebtedness Default Event**" means the occurrence of one or more of the following events (and such event is continuing) (i) any Indebtedness for Borrowed Money of the Issuer, the Guarantor or, any of the Guarantor's Subsidiaries becomes due and repayable prematurely by reason of any default or an event of default (howsoever, described), or (ii) the Issuer, the Guarantor or, any of the Guarantor's Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment or, as the case may be, within any originally applicable grace period, or (iii) default is made by the Issuer, the Guarantor or, any of the Guarantor's Subsidiaries in making any payment due under any guarantee or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, provided that the aggregate amount of such Indebtedness for Borrowed Money, guarantees and indemnities, in respect of which one or more of the events mentioned above in this provision have occurred equals or exceeds U.S.$200,000,000 or its equivalent in any other currency (on the basis of the middle spot rate for the relevant currency against the US dollar as quoted by any leading bank on the relevant day);

"**Relevant Jurisdiction**" means the British Virgin Islands, the PRC, any jurisdiction in which the Issuer and the Guarantor respectively is incorporated or any jurisdiction of residence for tax purposes of the Issuer and the Guarantor respectively;

"**Relevant Period**" means, in relation to the consolidated financial statements of the Guarantor in respect of a financial year, each period of twelve months ending on the last day of the financial year (being, as at the Issue Date, 31 December of that financial year) and in relation to the Guarantor's consolidated financial statements in respect of such semi-annual period, each period of six months ending on the last day of the first half financial year (being, as at the Issue Date, 30 June of that financial year);

"**Relevant Reset Distribution Rate**" means a rate of interest expressed as a percentage per annum equal to the sum of (a) the initial spread of 0.633 per cent. (the "**Initial Spread**"), (b) the Sovereign Bond Rate and (c) a margin of 3.00 per cent per annum;

"**Reset Date**" means the First Reset Date and each day falling every three calendar years after the First Reset Date;

"**Reset Determination Date**" means the day falling three business days prior to each Reset Date for calculating the Relevant Reset Distribution Rate under Condition 5(b)(ii);

"**SAFE**" means the State Administration of Foreign Exchange of the PRC;

"**Special Event**" means a Gross-Up Event, an Accounting Event or any combination of the foregoing;

"**Sovereign Bond Rate**" means the rate notified by the Calculation Agent to the Issuer, the Trustee and the CMU Lodging and Paying Agent and confirmed and notified by the Issuer to the Holders (in accordance with Condition 15 (*Notices*)), in per cent. per annum equal to: (i) the bid yield as reported on the Bloomberg CNTBI3 Index Page as at 4:00 p.m. (Hong Kong) time on the Reset Determination Date, as determined by the Calculation Agent; (ii) if the Bloomberg CNTBI3 Index Page is not available or the bid yield does not appear on the Bloomberg CNTBI3 Index Page for whatever reason, in each case as at or around 4:00 p.m. (Hong Kong time) on the Reset Determination Date, the bid yield of the Comparable Sovereign Bond Issue as at or around 4:00 p.m. (Hong Kong time) on the Reset Determination Date, as shown on or derived from the Bloomberg page (or any successor page) of the Comparable Sovereign Bond Issue, as selected by the Independent Investment Bank. Reference in these Conditions to any Bloomberg page means the relevant page on the Bloomberg terminal (or, if not available from Bloomberg, any successor information service provider thereto determined by the Issuer in its absolute discretion); and (iii) if the Sovereign Bond Rate cannot be determined in accordance with this paragraph, the bid yield as reported on the Bloomberg CNTBI3 Index Page on the last available date preceding the Reset Determination Date, as determined by the Calculation Agent;

"**Step-Up Event**" means the occurrence of a Change of Control Event, a Breach of Covenant Event or a Relevant Indebtedness Default Event;

"**Subsidiary**" means, in relation to any Person, any company (i) in which that Person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or (ii) which at any time has its accounts consolidated with those of that Person or which, under the law, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such Person from time to time, should have its accounts consolidated with those of that Person;

"**Voting Rights**" means the right generally to vote at a general meeting of shareholders of the Person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency, and any such voting power shall therefore be excluded for the purpose of this definition); and

"**Winding-Up**" means a final and effective court order or effective resolution by a competent authority in the respective jurisdiction of the Issuer or the Guarantor for the winding-up, liquidation or similar proceedings in respect of the Issuer or the Guarantor (as applicable).

SUMMARY OF PROVISIONS RELATING TO THE SECURITIES IN GLOBAL FORM

The Global Certificate contains provisions which apply to the Securities while they are in global form, some of which modify the effect of the Terms and Conditions of the Securities set out in this Offering Circular. The following is a summary of certain of those provisions. Terms defined in the Terms and Conditions set out in this Offering Circular have the meaning in the paragraphs below.

The Securities will be represented by a Global Certificate which will be registered in the name of the HKMA, in its capacity as operator of the CMU, and shall be delivered to and held by a sub-custodian nominated by the HKMA as operator of the CMU. The Global Certificate will be held for the account of CMU members who have accounts with the CMU operator, or the CMU participants. For persons seeking to hold a beneficial interest in the Securities through Euroclear or Clearstream, such persons will hold their interests through an account opened and held by Euroclear or Clearstream with the CMU operator. Interests in the Global Certificate will only be shown on, and transfers of interests will be effected through, records maintained by the CMU operator.

Under the Global Certificate, the Issuer, for value received, will promise to pay to the Holder represented by the Global Certificate on such date or dates as the same may become repayable in accordance with the Terms and Conditions of the Securities, the amount payable upon redemption under the Terms and Conditions in respect of the Securities represented by the Global Certificate and Distribution (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities in arrear at the rates, in the circumstances for payment, and in accordance with the method of calculation provided for in the Terms and Conditions of the Securities, together with such other sums and additional amounts (if any) as may be payable under the Terms and Conditions of the Securities, in accordance with the Terms and Conditions of the Securities.

The Global Certificate will become exchangeable in whole, but not in part, for Individual Certificates if (a) the CMU is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact so or (b) any of the circumstances described in Condition 8 (*Non-payment*) of the Terms and Conditions of the Securities occurs.

Whenever the Global Certificate is to be exchanged for Individual Certificates, the Issuer at its own expense will cause sufficient Individual Certificates to be executed and delivered to the Registrar for completion, authentication (where the Securities represented by the Global Certificate are cleared through the CMU, acting on behalf of the CMU Lodging and Paying Agent) and despatch such Individual Certificates to the relevant holders of the Securities within five business days of the delivery, by or on behalf of the Holder and the CMU to the Registrar of such information as is required to complete and deliver such Individual Certificates. A person with an interest in the Securities in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Individual Certificates.

In addition, the Global Certificate will contain provisions which modify the Terms and Conditions of the Securities as they apply to the Securities evidenced by the Global Certificate. The following is a summary of certain of those provisions:

Payments: All payments in respect of Securities represented by a Global Certificate will be made to the CMU which will credit the same in accordance with the CMU Rules to the person(s) shown in the records of the CMU Operator as the holder of a particular principal amount of Securities at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means a day on which CMU is operating and open for business.

Notices: So long as the Securities are represented by the Global Certificate and the Global Certificate is held on behalf of the CMU operator, notices to Holders shall be given by delivery of the relevant notice to the CMU, for communication by CMU to entitled accountholders in substitution for notification as required by the Terms and Conditions of the Securities, and such notice shall be deemed to be received by the Holders on the date of delivery of such notice to CMU. Indirect participants will have to rely on the CMU participants (through whom they hold the Securities, in the form of interests in the Global Certificate) to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants.

Transfers: Transfers of beneficial interests in the Securities represented by the Global Certificate will be effected through the records of the CMU (or any alternative clearing system) and their respective participants in accordance with the rules and procedures of the CMU (or any alternative clearing system) and their respective direct and indirect participants.

Cancellation: Cancellation of any Securities represented by the Global Certificate by the Issuer following its redemption or purchase by the Issuer and its Subsidiaries will be effected by a reduction in the principal amount of the Securities in the register of Holders and the Global Certificate on its presentation to or to the order of the Registrar for annotation (for information only) in the schedule thereto.

USE OF PROCEEDS

The Issuer intends to use the proceeds from the offering of the Securities to refinance the Group's existing offshore indebtedness in accordance with the NDRC certificate dated 31 July 2026. An amount equal to the proceeds from the offering of the Securities will be allocated exclusively to refinance the Eligible Projects as further described in "*Sustainable Finance Framework*".

CAPITALISATION OF THE GUARANTOR

As at 30 June 2026, the share capital of the Guarantor was RMB16,213,786,279, comprising 11,795,310,279 A shares listed on the Main Board of Shanghai Stock Exchange of RMB1.0 par value each and 4,418,476,000 H shares listed on the Main Board of Hong Kong Stock Exchange of RMB1.0 par value each representing 72.75 per cent. and 27.25 per cent. of the registered share capital of the Guarantor, respectively.

The following table sets forth the Guarantor's consolidated capitalisation as at 30 June 2026 and as adjusted to give effect to the issue of the Securities before deduction of any fees, commissions and expenses. The table should be read in conjunction with the financial statements and the accompanying notes included in this Offering Circular.

	As at 30 June 2026	
	Actual	**As adjusted**
	(RMB)	*(RMB)*
	(in millions)	
Current borrowings		
– Short-term borrowings	162,087	162,087
– Long-term borrowings due within one year	73,926	73,926
– Bonds payable due within one year	13,349	13,349
– Lease liabilities due within one year	991	991
– Short-term financing notes	50,882	50,882
Total current borrowings	**301,234**	**301,234**
Non-current borrowings		
– Long-term borrowings	466,517	466,517
– Bonds payable	66,448	66,448
– Lease liabilities	3,202	3,202
– Securities to be issued[(1)]	–	3,350
Total non-current borrowings	**536,167**	**539,517**
Total borrowings	**837,401**	**840,751**
Total shareholders' equity	**481,377**	**481,377**
Total capitalisation[(2)]	**1,318,778**	**1,322,128**

Notes:

(1) This amount represents the aggregate principal amount of the Securities to be issued before deduction of commissions and offering expenses payable by the Group.

(2) Total capitalisation equals the sum of total borrowings and total shareholders' equity.

Since 30 June 2026, the Guarantor has incurred additional indebtedness primarily through issuing of onshore bonds. In addition, the Guarantor has incurred, and will continue to incur, indebtedness from time to time for general corporate purposes, including but not limited to refinancing of existing indebtedness and funding its operations in the ordinary course of business. Other than as disclosed above, there has been no material change in the capitalisation of the Guarantor since 30 June 2026.

SUSTAINABLE FINANCE FRAMEWORK

The Sustainable Finance Framework is intended to provide non-exhaustive, general information. The information contained in the Sustainable Finance Framework does not purport to be comprehensive. The Sustainable Finance Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by the Issuer, the Guarantor, the Group or the Joint Lead Managers and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Issuer, the Guarantor, the Group or the Joint Lead Managers as to the fairness, accuracy, reasonableness or completeness of such information. The Sustainable Finance Framework may contain statements about future events and expectations that are forward-looking statements. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. See "Forward-looking Statements" and "Risk Factors" of this Offering Circular. No representation is made as to the suitability of any sustainable securities to fulfil environmental and sustainability criteria required by prospective investors.

The Sustainable Finance Framework is not intended to be and should not be construed as providing legal or financial advice or as a recommendation regarding any securities of the Group. Prospective investors are required to make their own independent investigation and appraisals prior to any investment decisions and are solely liable for any use of the information contained in this Offering Circular. Neither the Issuer, the Guarantor nor any of their respective subsidiaries shall be liable for any damages, direct, indirect or otherwise and whether arising in tort, contract or otherwise, resulting from the use of, failure to implement or comply with or achieve the goals and intentions set out in and/or otherwise in connection with the Sustainable Finance Framework.

The information contained herein is provided as at the date of the Sustainable Finance Framework and is subject to change without notice and none of the Issuer, the Guarantor, the Group and the Joint Lead Managers assumes any responsibility or obligation to update or revise such information, regardless of whether such information is affected by the results of new information, future events or otherwise.

The Company's Sustainable Finance Framework has been developed to demonstrate how the Company intends to issue Green, Social or Sustainability Bonds and Loans ("**Sustainable Financing Transactions**", or "**SFTs**") to finance projects as defined in this Framework that are consistent with its vision to improve the environment and combat climate change. The Eligible Green and/or Social Projects funded by the SFTs will conform to the sustainable finance principles listed below:

- With respect to bonds: Green Bond Principles 2025 ("**GBP2025**") released by International Capital Market Association ("**ICMA**") and Green Bond Endorsed Projects Catalogue (2021 Edition); The Social Bond Principles 2025 ("**SBP2025**"); The Sustainability Bond Guidelines 2021 ("**SBG2021**"); The Hong Kong Taxonomy for Sustainable Finance (Phase 2A) released by the Hong Kong Monetary Authority in 2026; and/or

- With respect to loans: Green Loan Principles 2025 ("**GLP2025**") and Social Loan Principles 2025 ("**SLP2025**") jointly published by the Loan Market Association ("**LMA**"), the Asia Pacific Loan Market Association and the Loan Syndications and Trading Association ("**LSTA**") or as they may be subsequently amended; and

- With respect to other forms of financing: other sustainable or green finance principles as may have been established at the time of such financing transaction being undertaken.

In alignment with the above principles and guidelines, the Company's Sustainable Finance Framework consists of the following core components:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

Bond(s) issued under the Sustainable Finance Framework may take the form of public transactions or private placements, in bearer or registered format, and may take the form of senior unsecured or subordinated issuances. Such bonds and loans issued under the Sustainable Finance Framework will be standard recourse-to-the-issuer debt obligations and investors will not bear the credit risk of the underlying allocated eligible asset exposures. SFTs may be done in any jurisdiction and market reflecting the Company's current and future business needs.

USE OF PROCEEDS

The net proceeds raised under the Sustainable Finance Framework or an amount equal to these net proceeds will be used to finance and/or refinance, in whole or in part, existing Eligible Projects (wholly owned or partially owned by the Company) that meet the below category of eligibility as recognized in the Eligible Criteria.

Refinancing of Eligible Projects will have a look-back period of no longer than 36 months from the time of issuance. The Company is committed to fully allocate the net proceeds on a best-effort basis within 36 months of issuance. Projects and assets eligible for Green financing must fulfil the relevant eligibility criteria set forth below.

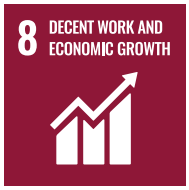
Eligible Green Projects

Eligible Green Project Category (SDG Mapping)	Eligible Criteria and Example of Eligible Green Projects	Environmental Benefits & Mapping with Hong Kong Taxonomy
Renewable Energy  	**Projects related to the generation and transmission of energy from the following sources (including maintenance and upgrade of such infrastructure and manufacture of dedicated components for renewable energy):** – Wind Power – Solar Photovoltaic (PV) – Hydropower **Construction, upgrade, or operation of electricity transmission and distribution infrastructure that supports grid decarbonisation, including systems where at least 67% of newly connected generation capacity over a rolling five-year period satisfies the Hong Kong Taxonomy Green Activity threshold of ≤100 gCO_2e/kWh (lifecycle emissions basis), and facilitates the connection, integration, or delivery of renewable and low-carbon electricity.**	**Project Goals:** Give full play to the advantages of specialized resources, actively develop new energy industries such as wind power, photovoltaics and hydropower, and promote the green transformation of the industry. **Hong Kong Taxonomy for Sustainable Finance (Phase 2A):** – A-002 Electricity generation using solar photovoltaic technology – A-003 Electricity generation from wind power – A-004 Transmission and distribution of electricity

Eligible Green Project Category (SDG Mapping)	Eligible Criteria and Example of Eligible Green Projects	Environmental Benefits & Mapping with Hong Kong Taxonomy
Clean Transportation  	**Development, construction and operation of low-carbon transportation solutions, including investment in:** – Projects to build and operate a fully electrified metro railway rail systems, as well as expansion, maintenance and upgrade of this infrastructure that results in improved service levels or extended asset lifespan with preserved capacity; and – The creation or construction of infrastructure that supports low-carbon transportation such as signalling equipment; metro lines interchanges, including passenger access; ancillary passenger services; facilities required for the safe, clean and efficient operation of the network; utilities; and other enabling infrastructure.	**Project Goals:** Reduction of harmful emissions; High-capacity passenger movement **Hong Kong Taxonomy for Sustainable Finance (Phase 2A):** – B-001 Public transportation system in urban and suburban areas. – B-006 Low-carbon transport infrastructure.
Energy Efficiency  	**Investments and expenditure related to the acquisition, manufacture, construction, installation, development and operation of projects or assets that improve energy efficiency and/or reduce energy consumption and losses, including: energy storage systems and upgrade equipment. The eligible equipment will fall within the two highest energy-efficiency classes, as determined by applicable international labelling schemes or local regulations.**	**Project Goals:** Improve energy efficiency or reduce in the total energy consumption and losses; Climate change mitigation **Hong Kong Taxonomy for Sustainable Finance (Phase 2A):** – A-006 Storage of electricity – C-003 Installation, maintenance, and repair of building equipment

Eligible Green Project Category (SDG Mapping)	Eligible Criteria and Example of Eligible Green Projects	Environmental Benefits & Mapping with Hong Kong Taxonomy
Green Buildings   	**Acquisition, construction, maintenance or renovation of new or existing buildings that have received, or expected to receive the below recognized green building certifications.** – Conform to Green Building Evaluation Standards (GB/T 50378) with three stars or above; or – Obtain U.S. Leadership in Energy and Environmental Design (LEED) – Gold grade or above; or – Hong Kong BEAM Plus – minimum certification level of Gold; or – National Australian Building Environmental Rating System (NABERS) Energy – with five stars or above. **Eligible green building projects shall comply with the applicable criteria and thresholds under Green Activities C-001 and C-002 of the Hong Kong Taxonomy. Final alignment will be assessed based on the building's actual energy consumption and/or GHG emissions performance, supported by ongoing monitoring and verification.**	**Project Goals:** To comply with regional, national or internationally recognized standards or certifications for environmental performance, and to achieve harmonious coexistence between humans and nature. **Hong Kong Taxonomy for Sustainable Finance (Phase 2A):** – C-001 Renovation of existing buildings – C-002 Construction of new buildings

Eligible Social Projects

Eligible Social Project Category (SDG Mapping)	Eligible Criteria and Example of Eligible Social Projects	Social Benefits
Affordable Basic Infrastructure 	**Develop and construct large-scale infrastructure projects related to rail-road, water supply and other forms of road transportation infrastructure like roads, tunnels and bridges, for the purpose of providing equal access to road transportation and improving road conditions.** Target Population: General population, including individuals and families that have limited access to quality basic infrastructure.	**Project Goals:** To build transport and water supply infrastructure for countries and people in needs.
Employment Generation  	**Investments in projects that have the capacity to generate employment and prevent unemployment stemming from socioeconomic crises.** Target Population: Local labour force with subdued employment prospects due to adverse socioeconomic changes; or unemployed or at-risk individuals in the upstream and downstream sectors of the industry chain;	**Project Goals:** Contribute to local employment creation.

Exclusion Criteria

In any case, eligible assets/projects exclude the type of activities listed in the latest International Finance Corporation (IFC) Exclusion List (2007):

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone-depleting substances, PCBs, wildlife or products regulated under CITES.

- Production or trade in weapons and munitions.

- Production or trade in alcoholic beverages (excluding beer and wine).

- Production or trade in tobacco.

- Gambling, casinos, and equivalent enterprises.

- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment or any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded.

- Production or trade in unbonded asbestos fibers. This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

- Drift net fishing in the marine environment using nets in excess of 2.5 km in length.

- Production or activities involving forced labor or child labor.

- Commercial logging operations for use in primary tropical moist forests.

- Production or trade in wood or other forestry products other than from sustainably managed forests.

- Production, generation or trade in fossil fuel.

PROCESS FOR PROJECT EVALUATION AND SELECTION

The Company has a robust internal control and policy mechanism to ensure environmental and social risks are identified and mitigated.

A working group will oversee all projects and select the Eligible Projects to be financed. The working group will comprise senior members and representatives from the different departments and has a standard process for project evaluation and selection.

Lastly, the working group will present the board of directors with a short list of Eligible Projects and wait for approval.

The working group will:

– Meet at least every 12 months and select eligible projects according to the Eligible Criteria in this framework.

– A list of green and social projects will be provided to the working group, and working group will ensure the selected Eligible Projects to comply with the environmental regulatory policy of the project site.

– The working group then selects projects based on compliance, industry policy conformity, and completeness of relevant procedures, filing and legal documents.

– Projects no longer meeting the selection criteria detailed in this Framework will be removed and/or replaced on a best efforts basis.

– The Company will maintain a register to keep track the use of net proceeds of the SFTs through the internal information system on an annual basis.

MANAGEMENT OF PROCEEDS

The proceeds from SFTs will be managed by the working group and be deposited in the Company's funding accounts, which is a temporary cash account that keeps the unallocated proceeds in the form of cash deposits that will be used only on Eligible Projects when applicable. All net proceeds of an issuance will be allocated to Eligible Projects within 36 months. The working group will be committed to adjusting the tracked net proceeds biannually to match allocations to Eligible Projects during the time the instrument is outstanding. The expected look-back period for refinanced Eligible Projects will be three years. The working group will also maintain a register to keep track of the use of proceeds containing the following information:

– Information of Green Financing Transactions

– Issuer/borrower entity

– Transaction date

– Principal amount of proceeds

– Maturity date

– Interest or coupon

– ISIN number (if applicable)

Allocation of Use of Proceeds

– Name and description of Eligible Projects to which the proceeds have been allocated in accordance with the Sustainable Finance Framework

– Project location

– Amount of investment (state currency)

– Date of investment

– Progress/construction status

– Environmental certification (including source and date)

– Energy Performance data (including source and date)

– The balance of unallocated proceeds

– Information of temporary investment for unallocated proceeds

– Any remaining balance of issuance proceeds that are not yet allocated to the Eligible Projects will be:

– Held in temporary investment instruments that are assets with high liquidity and safety such as cash or cash equivalent instruments; or

– Held in temporary placements that do not include projects, assets or activities that are inconsistent with the nature of green debt instruments.

When the Eligible Projects are subject to partnerships or joint ventures, the Company will only consider our share of investment in those Eligible Projects. The Company will not consider a portion of any Eligible Project which has been financed and/or refinanced by any other stakeholder.

REPORTING

The Company is committed to providing the proceeds allocation report and impact report, which will be approved by the working group. Both the allocation report and impact report will be disclosed once a year. The allocation report will be disclosed until all the net proceeds are being allocated to Eligible Projects. Such information will be available on the Company's website or included in the annual social responsibility report including but not limited to the following:

Allocation Reporting

- The aggregate amount allocated to various Eligible Green and/or Social Project Categories
- The remaining balance of funds which have not yet been allocated and type of temporary investment
- Share of financing vs. refinancing
- Examples of Eligible Projects and brief description of the Eligible Projects which Bond proceeds have been allocated (subject to confidentiality disclosures)
- Any major developments/issues/disputes related to the projects or assets

Impact Reporting

The Company is committed to reporting on the expected and actual environmental and social impacts associated with the Eligible Projects funded with the proceeds. The impact report will continuously be disclosed until all the net proceeds are being allocated to Eligible Projects. Subject to the nature of Eligible Projects and the availability of information, the report will include, but not limited to, the following Impact Indicators:

GBP/SBP category	Impact Indicators
Renewable Energy	• Annual renewable energy generation in GWh for electricity
	• Annual GHG emission or standard coal equivalent reduced/avoided
Clean Transportation	• Annual GHG emissions reduced/avoided in tonnes of CO_2 equivalent/a
Energy Efficiency	• Annual GHG emissions reduced/avoided in tonnes of CO_2 equivalent/a
	• Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)

GBP/SBP category	Impact Indicators
Green Buildings	• Level of certification by property
	• Annual GHG emissions reduced/avoided in tonnes of CO_2 equivalent/a
	• Energy efficiency gains in MWh or percentage vs baseline
	• Annual absolute (gross) water saving in m^3/a
Affordable Basic Infrastructure	• Number of passengers of public rail transportation
	• Numbers of infrastructure projects built/upgraded
	• Number of individuals/households benefitted
Employment Generation	• Jobs created, supported, and/or retained
	• Number of people with upskilled employment resulting from training

EXTERNAL REVIEW

The Company has engaged Sustainable Fitch as the external reviewer to evaluate the appropriateness of the Sustainable Finance Framework, and alignment with the GBP, SBP, SBG, GLP and SLP and issue a Second Party Opinion accordingly.

DESCRIPTION OF THE ISSUER

FORMATION

The Issuer, CCCI Treasure Limited, was incorporated as a BVI business company with limited liability in the British Virgin Islands on 27 February 2015 under the BVI Business Companies Act, 2004 of the British Virgin Islands. Its registered office is located at Mandar House, 3rd Floor, Johnson's Ghut, Tortola, British Virgin Islands. The Issuer is a subsidiary which is 100 per cent. indirectly owned by the Guarantor.

BUSINESS ACTIVITY

The Issuer was established for the purpose of issuing securities and on-lending the net proceeds to the Guarantor and/or its subsidiaries. The Issuer has issued U.S.$1,100,000,000 3.50 per cent. unsubordinated guaranteed perpetual securities on 21 April 2015, and U.S.$1,000,000,000 3.425 per cent. subordinated guaranteed perpetual securities and U.S.$500,000,000 3.650 per cent. subordinated guaranteed perpetual securities on 21 February 2020. In 2024, the Issuer issued RMB2,100,000,000 2.90 per cent. guaranteed bonds on 8 August 2024, RMB2,800,000,000 2.88 per cent. guaranteed bonds on 19 August 2024, and RMB2,200,000,000 2.46 per cent. guaranteed bonds on 24 October 2024.

DIRECTORS

The sole director of the Issuer as at the date of this Offering Circular is Mr. Yihua Zhou.

SHARE CAPITAL

As at the date of this Offering Circular, the Issuer is authorised to issue a maximum of 50,000 shares with a par value of U.S.$1.00 each in one single class or series. As at the date of this Offering Circular, one ordinary share, which is held by CCCC International Holding Limited, had been issued and credited as fully paid, representing the entire issued shares of the Issuer.

None of the equity securities of the Issuer is listed or dealt in on any stock exchange and no listing or permission to deal in such securities was being or was proposed to be sought as at the date of this Offering Circular.

FINANCIAL STATEMENTS

Under British Virgin Islands law, the Issuer is not required to publish condensed or annual financial statements. The Issuer has not published, and does not propose to publish, any financial statements. The Issuer is, however, required to keep proper books of account as are necessary to give a true and fair view of the state of the Issuer's affairs and to explain its transactions. Effective from 1 January 2023, the Issuer is under the laws of the British Virgin Islands required to file a financial annual return with its registered agent within nine months after the end of each year to which the financial annual return relates.

DESCRIPTION OF THE GROUP

OVERVIEW

The Guarantor was incorporated as a joint stock limited company with limited liability under PRC law on 8 October 2006. The Guarantor is an important subsidiary of CCCG, which is under the supervision of central SASAC and is one of the largest central SOEs in infrastructure construction and design in the PRC by revenue according to ENR. In the Operating Results assessments of State-owned Enterprises conducted by SASAC, CCCG has been rated as a Grade A enterprise for nineteen consecutive years in 2024. In 2025, CCCG ranked first among Chinese enterprises in ENR's Top International Contractors for nineteen consecutive years. In 2025, CCCG's rank in Fortune Global 500 Companies rose to 61st place, which is attributable to the continual increase of CCCG's comprehensive strength. As an important holding subsidiary of CCCG, the Company is the world's largest port, road and bridge design and construction company, and the world's largest dredging company; it is also the largest international contractor and highway investor in China; and the Company also owns the largest engineering fleet in the world.

The Group is an established PRC market leader in its three core business segments of infrastructure construction, infrastructure design and dredging. The Group has been leveraging its extensive experience in its core business segments to shift towards an investment operation strategy which utilises an integrated, full value chain model both domestically and internationally, which enables the Group to provide extensive services and products to its customers, including research and development, planning, survey, design, construction, supervision, maintenance, operation, investment and financing. This has in turn increased the Group's competitiveness in its traditional businesses, and as a result, the Group has developed from being an established PRC market leader to a global competitor in its core business segments. The Guarantor had 32 principal wholly-owned or holding subsidiaries. The Guarantor operates its businesses throughout China, including Hong Kong and Macau, and has established its global presence in 139 countries and regions.

Through designing and constructing state-level engineering construction projects, the Company has set many records recognised as the "first", the "best" and the "most" in the history of port and bridge construction not only in the PRC but also in the rest of Asia and around the world. Construction projects such as the Sutong Yangtze River Bridge, Shanghai Yangshan Deepwater Port, Yangtze River Mouth Deepwater Navigation Channel Regulation Project, Hainan Project, and the Hong Kong-Zhuhai-Macau Bridge reflected the state-of-the-art standard of China, and that of the world. The Company entered the railway market when the market opened and participated in the design and construction of over 130 national key railway projects, including the Harbin-Dalian PDL, Beijing-Shanghai High Speed Railway and Lanzhou-Chongqing Railway. Meanwhile, the Company proactively participated in railway projects under the "Going Global" initiative, and the Mombasa-Nairobi Railway in Kenya and the Nairobi-Maraba Railway Phase I Project were independently designed and constructed by the Company on the basis of Chinese railway construction standards. A number of overseas projects of the Company have won the Luban Award, the National Quality Project Award and ENR awards, and have established a number of landmark projects, quality projects, and people's livelihood projects overseas.

The Group's main businesses include infrastructure construction business, primarily comprising the survey, design, construction and supervision of coastal and inland water port engineering, as well as road, railway, bridge and tunnel engineering; dredging business, primarily comprising infrastructure dredging, maintenance dredging, reclamation dredging, and environmental dredging; and international contracting business. For management purposes, the Group is organised into business units based on products and services in the first half of 2026, and has the following three reportable segments:

- ***New quality infrastructure business***: the new infrastructure segment mainly provides construction services for infrastructure such as ports, roads, bridges and railways, as well as engineering services such as infrastructure dredging, maintenance dredging, environmental dredging and reclamation;

- ***Design consultancy business***: the design and consulting segment mainly provides consulting and planning services, feasibility studies, survey and design, engineering consultancy, engineering measurement and technical research, project management, project supervision, EPC contracting, etc.; and

- ***Other businesses***: the other segments mainly include material sales, fund investment and equipment manufacturing, etc.

The following table sets forth the breakdown of the Group's revenue and gross profit by business segments before elimination of inter-segment sales and unallocated profits for the years ended 31 December 2023, 2024 and 2025:

	Year Ended 31 December											
	2023[1]				2024				2025			
	Revenue	% of the total revenue	Gross Profit	% of the total gross profit	Revenue	% of the total revenue	Gross Profit	% of the total gross profit	Revenue	% of the total revenue	Gross Profit	% of the total gross profit
	(RMB in millions, except percentages)											
Infrastructure construction	667,802	84.7	77,179	81.7	682,603	84.9	74,610	80.5	650,150	84.9	64,672	80.2
Infrastructure design	47,302	6.0	8,731	9.2	36,287	4.5	7,244	7.8	36,511	4.8	6,722	8.3
Dredging	53,506	6.8	7,136	7.6	59,461	7.4	7,857	8.5	54,191	7.1	6,222	7.7
Other businesses	19,369	2.5	1,434	1.5	26,064	3.2	2,992	3.2	24,289	3.2	3,026	3.8
Inter-segment elimination and unallocated profit/(costs)	(32,292)	–	69	–	(36,172)	–	(100)	–	(38,505)	–	(84)	–
Total	**755,687**	**100**	**94,549**	**100**	**768,243**	**100**	**92,603**	**100**	**726,636**	**100**	**80,558**	**100**

Note:

(1) The contributions by each of the Group's business segments in terms of revenue and as a percentage of its total revenue before elimination of inter-segment sales and unallocated profits for the year ended 31 December 2023 have been restated to account for the Group obtaining control over China Communications Construction (Xiamen) E-commerce Co., Ltd. through capital increase and its acquisition of China Zhibao Investment Co., Ltd. from China Real Estate Development Group Co., Ltd in 2024.

In the first half of 2026, the Group's business segments are organised into three reportable segments, which are namely new quality infrastructure, design consultancy and other businesses, based on products and services. The following table sets forth the breakdown of the Group's revenue from principal operations and gross profit by the three reportable segments before elimination of inter-segment sales and unallocated profits for the six months ended 30 June 2025 and 2026:

	Six Months Ended 30 June					
	2025			2026		
	Revenue from principal operations	Cost from principal operations	Gross profit margin (%)	Revenue from principal operations	Cost from principal operations	Gross profit margin (%)
	(RMB in millions, except percentages)					
New quality infrastructure	318,874	287,343	9.89	316,788	287,979	9.09
Design consultancy	12,853	10,522	18.14	12,259	10,412	15.06
Other businesses	4,790	3,202	33.17	4,421	3,126	29.28
Inter-segment elimination and unallocated profit/(costs)	(1,734)	(1,870)	–	(3,064)	(3,017)	–
Total	**334,783**	**299,196**	**10.63**	**330,404**	**298,501**	**9.66**

The following table sets forth the Group's revenue by geographic regions for the periods indicated:

	Year Ended 31 December		
	2023	2024	2025
		(RMB in millions)	
The PRC (excluding Hong Kong and Macau and Taiwan)	639,751	633,463	567,591
Other regions	115,936	134,780	159,045
Total	**755,687**	**768,243**	**726,636**

	Six Months Ended 30 June	
	2025	2026
	(RMB in millions)	
The PRC (excluding Hong Kong and Macau and Taiwan)	267,541	244,215
Other regions	67,909	88,944
Total	**335,450**	**333,160**

During the six months ended 30 June 2026, the value of new contracts of the Group amounted to RMB902,949 million, representing a year-on-year decrease of 8.89 per cent. from RMB991,054 million for the corresponding period in 2025, which is in line with the scheduled progress. The Group continuously improved the business structure, steadily expanded the scale of cash remittance and significantly enhanced the quality and efficiency of investment. As at 30 June 2026, the backlog of the Group amounted to RMB3,216,563 million.

During the six months ended 30 June 2026, the value of new contracts of all businesses from overseas markets of the Group amounted to RMB241,678 million, representing a year-on-year increase of 21 per cent., and accounting for approximately 27 per cent. of the Group's new contracts value. Wherein, the value of new contracts from new quality infrastructure business, design consultancy business and other businesses amounted to RMB240,062 million, RMB1,401 million and RMB215 million, respectively.

HISTORY

The Group's history dates back to more than 100 years ago, in China's Qing Dynasty, when the Qing government established the Haihe Engineering Department in 1897 and Junpu Engineering Department in 1905, which are the predecessors of the current CCCC-Tianjing Dredging Co., Ltd. and CCCC Shanghai Dredging Co., Ltd. respectively.

In 1979, the China Road and Bridge (Group) Company was established. It was the predecessor of CRBC and was later restructured and became one of the wholly-owned subsidiaries of CCCC in 2005. In 1980, CHEC's predecessor was established. It was restructured and became CHEC in 2005.

In 2006, the Guarantor was initiated and founded by CCCG, which inherited the businesses and assets of the group of CHEC's and CRBC's predecessors, which were two of the then-most influential enterprises in the PRC infrastructure construction sector, following their consolidation.

The Guarantor was the first ultra large state-owned infrastructure construction group in the PRC entering the overseas capital markets, with its H shares being listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1800.HK) on 15 December 2006. On 9 March 2012, the Guarantor's A shares were listed on the Shanghai Stock Exchange (Stock Code: 601800.SS).

In 2000, the Guarantor completed the construction of the second phase of Yantian Port, being one of the largest single ports in China in terms of container handling capacity. In 2009, the Guarantor issued onshore corporate bonds of RMB10 billion, which was the largest single issuance in the onshore corporate bonds market at that time. After the issuance, the Guarantor had obtained onshore financing through corporate bonds, medium-term notes, short-term financing, etc. In 2011, the Guarantor completed the construction of the High-Speed Railway between Beijing and Shanghai. Such High-Speed Railway was designed to accommodate high-speed trains travelling at 380 kilometres per hour. In 2015, the Guarantor obtained international ratings for its issuance of offshore US-dollar bonds for the first time.

On 18 July 2017, the Guarantor entered into an equity transfer agreement with CCCG, pursuant to which the Guarantor has conditionally agreed to sell and CCCG has conditionally agreed to acquire 552,686,146 ZPMC A shares held by the Guarantor at a consideration of approximately RMB2,912,655,989.42, representing 12.59 per cent. of the total issued share capital of ZPMC on 18 July 2017. On the same date, Zhen Hua Engineering Company Limited ("**Zhen Hua HK**") and Zhen Hwa Harbour Construction Co. Ltd. ("Zhen Hwa Macao") entered into the Zhen Hua HK equity transfer agreement and the Zhen Hwa Macao equity transfer agreement, respectively, with CCCG (on behalf of CCCG HK), pursuant to which Zhen Hua HK and Zhen Hwa Macao have conditionally agreed to sell, and CCCG HK has conditionally agreed to acquire 749,677,500 ZPMC B shares held by Zhen Hua HK and 14,285,700 ZPMC B shares held by Zhen Hwa Macao at a consideration of approximately RMB2,751,316,425 and RMB52,428,519, respectively, representing an aggregate of 17.40 per cent. of the total issued share capital of ZPMC on 18 July 2017. The disposal shares in aggregate represent 29.99 per cent. of the total issued share capital of ZPMC on 18 July 2017. The reason for the aforementioned disposals is to allow the Group to better concentrate on and make more centralised investments in its core business of infrastructure and further strengthen its core competitiveness as ZPMC is primarily engaged in research and development and manufacture of products such as container cranes, loading and unloading machinery etc., which share limited synergies with the Group's business of transportation infrastructure. On 27 December 2017, the transfer and registration procedures for the disposal shares was completed and ZPMC has ceased to be a subsidiary of the Guarantor.

Upon completion of the disposals, Zhen Hua HK and Zhen Hwa Macao no longer hold any shares in ZPMC and the shares in ZPMC held by the Guarantor represent 16.24 per cent. of the issued share capital of ZPMC, while ZPMC ceased to be a subsidiary of the Guarantor and its financial results will not be consolidated into the financial statements of the Guarantor.

Following the disposals, the heavy machinery manufacturing business has ceased to be in the Guarantor's business segment and the rest of the business in such business segment (except for that of ZPMC) are covered in the other business segments of the Guarantor.

RECENT DEVELOPMENTS

Please see "*Summary – Recent Developments*" for details.

COMPETITIVE STRENGTHS

Grounded in the new CCCC blueprint of "five wholes, four bigs and five types", the Group has summarized and formed ten core advantages, covering high-end leadership and comprehensive intellectual advantage, full-industry-chain integration, globalized operations, technological innovation, equipment strength, integrated development, talent pool and coordinated group-wide operations, digital operations, and brand value. Facing the structural transformation of the infrastructure industry from "focusing on incremental growth" to "attaching equal importance to both incremental and existing assets", the Group has continuously strengthened strategic guidance and core capability building in light of new situations and new tasks, persistently built solid barriers for differentiated competition, and consolidated and elevated its leading position in the industry. During the six months ended 30 June 2026, the Group achieved significant progress in three areas: strategic foresight, "big overseas" globalization, and technological innovation and equipment advantages.

The growth and development of the Group are primarily concentrated on the following core competitive strengths:

Proactively Laying out "Eight-Network Integration" Strategically to Build Differentiated Competitive Barriers

In December 2025, the Group officially proposed the "Eight-Network Integration" development model in the Overall Guiding Opinions, and incorporated it into the series of plans for the "15th Five-Year Plan" period as a core deployment for industrial layout and market expansion. Against the backdrop of intensifying homogeneous competition in traditional single engineering projects, the state is advancing the coordinated construction of the "Six Networks", making it difficult for single construction models to adapt to the new situation. Relying on its complete business layout of "five wholes", the Group stepped out of traditional construction approaches and secured an early position in the "integration" track.

Once the strategy was set, the Group swiftly advanced its implementation and execution. The Overall Guiding Opinions set up a dedicated chapter entitled "Vigorously Expand New Spaces for Integration"; the series of plans for the "15th Five-Year Plan" period simultaneously embedded the overall layout of "Eight-Network Integration", incorporating multi-network integrated projects into key incremental businesses under cultivation; established the "Eight-Network Integration" Research Institute; and promulgated supporting management measures for cross-segment profit allocation, establishing a normalised working mechanism featuring joint development, resource sharing, and profit sharing.

"Eight-Network Integration" enables the Group to transform from single-point project delivery into full-lifecycle integrated services of "Planning-Investment-Construction-Operation and Maintenance" under multi-network coordination across regional zones, river basins, and city-wide, fully leveraging the Group's complete qualifications and resources in multiple fields including roads and bridges, water transportation, rail transit, airports, municipal works, water conservancy, digital infrastructure, and logistics facilities, promoting the synchronised planning, synchronized implementation, and synchronized operation and maintenance of multiple networks, forming an irreplaceable integrated competitive barrier, enhancing its capability for coordinated implementation across multiple fields and the entire industry chain, and enabling the Group to meet the comprehensive development needs of local governments, industrial parks, and overseas owners on a one-stop basis.

Consolidating and Expanding International Leading Advantages, Upgrading from "Going out" to "Systematic Upgrading and Dimensional Elevation"

The Group adheres to the direction of "going out", achieving dual-wheel force of domestic and international business through international business increment. Its business footprint extends to 139 countries and regions around the world, building a global operating network covering major economies and key regions worldwide. The proportion of the Group's overseas localized employees is approximately 77 per cent., which will be promoted to 85 per cent. during the "15th Five-Year Plan" period – the continuous enhancement of localized operational capabilities serves as a key hallmark of the Group's overseas business leaping from "going out" to "going in".

During the six months ended 30 June 2026, the value of new overseas contracts of the Group amounted to RMB241,678 million, representing a year-on-year increase of 20.61 per cent., accounting for approximately 27 per cent. of the Group's value of new contracts. Categorized by business type, water transportation, railway construction, building construction, roads and bridges, airports, urban rail transit, municipal engineering and others accounted for 27 per cent., 22 per cent., 15 per cent., 9 per cent., 8 per cent., 6 per cent., 4 per cent. and 9 per cent. of the value of new overseas contracts, respectively; categorized by region, Asia (excluding Hong Kong, Macau and Taiwan), Africa, Oceania, Latin America, Europe, as well as Hong Kong, Macau and Taiwan and other regions accounted for 44 per cent., 28 per cent., 16 per cent., 5 per cent., 5 per cent. and 2 per cent. of the value of new overseas engineering contracts, respectively. The value of new contracts of the Group with countries participating in the joint construction of the "Belt and Road" Initiative was USD27,772 million, accounting for 88 per cent. of the value of new contracts from overseas markets, with cumulative new contract value reaching USD344,064 million since the proposal of the Initiative. All tunneling works for the East Coast Rail Link in Malaysia were completed, and the Conservancy Project of Techo Funan Canal in Cambodia was commenced upon the signing of contracts, continuously deepening the multi-point global layout.

At present, the global industrial chain is undergoing deep restructuring, the "Belt and Road" Initiative has entered its second decade, and the overseas infrastructure market is shifting from scale expansion to quality competition. The Group continued to deepen strategic cooperation with international leading enterprises such as DP World, Mediterranean Shipping Company (MSC), PSA International, and Maersk, consolidating and expanding its international leading advantages, and promoting the upgrading of overseas business from "going out" to "systematic upgrading and dimensional elevation". Overseas business accelerated its transformation toward intelligent, green and digital development, with BIM technology applied in depth across over 50 key overseas projects, the "Digital Zhonggang" platform successfully implementing distributed deployment in Europe and Africa, green energy projects achieving new breakthroughs in countries such as Laos, Serbia, and Morocco, and 28 overseas Beidoudemonstration engineering projects progressing steadily – further advancing the transition from "going out" with projects, resources, products, and equipment to "going out" with industrial ecosystems, supply chain systems, business models, and rules and standards.

The Group has established "ten major" overseas industrial chains (water transportation, roads and bridges, rail transit, construction technology, green energy, ecological and environmental protection, municipal works, modern logistics, airports, and strategic emerging industries), each consisting of upstream (planning and consulting, investment and financing), midstream (engineering design, project contracting), and downstream (operation and maintenance, application services), and determined measures to "supplement, consolidate, strengthen, and shape the chain", guiding the rational and orderly cross-border layout of industrial and supply chains. Based on the main framework of "six corridors and six channels serving multiple countries and ports", the Group refines CCCC's global multi-dimensional interconnectivity network layout, and systematically advances major landmark projects and "small and beautiful" livelihood projects in a coordinated manner. Overseas business is upgrading from standalone engineering contracting to the integrated "investment-construction-operation" model, and from labor-intensive operations to technology-and standards-export-oriented models. While consolidating its traditional infrastructure advantages, the Group is accelerating a dual enhancement in global resource allocation capabilities and localized operational capabilities.

Focusing on Breakthroughs in Key Core Technologies to Build Competitive Barriers through High-Conversion Technology Investment

Focusing on its main responsibility, principal business, and key core technologies, the Group continues to deepen the reform of science and technology systems and mechanisms, guided by pilot projects for building national strength in transportation. During the six months ended 30 June 2026, the Group's R&D investment (including capitalized R&D investment) was RMB8,151 million, accounting for 2.45 per cent. of operating revenue. R&D personnel and material costs, outsourced R&D fees, asset depreciation and amortization, and other expenses accounted for 84 per cent., 3 per cent., 2 per cent. and 11 per cent., respectively. The Group focused its R&D investment on emerging and future industries such as smart highways, intelligent port, advanced engineering vessels, industrial software, water conservancy and hydropower, and underground space development.

In the field of transportation infrastructure, the Group has achieved key technological breakthroughs in three areas: bridge and tunnel construction, road engineering in extreme environments, and core components. The Group's construction technologies continue to maintain a leading position. The Group has overcome key technological challenges in industrialized intelligent bridge construction, pioneering the concept of "transforming from engineering projects to products", and established a new construction system characterized by "industrialization, digitalization, networking and intelligentization". Twelve key technologies have achieved internationally leading levels and have been applied in nearly 400 major projects, including the Shenzhen-Zhongshan Bridge and Changtai Yangtze River Bridge, achieving an upgrade from "extensive construction methods" to "precision intelligent construction". The Group has overcome a series of challenges in road engineering in extreme environments. Leveraging the National Key Laboratory of Green and Long-life Road Engineering in Extreme Environment (極端環境綠色長壽道路工程全國重點實驗室), and targeting the alpine and high-altitude extreme environments of the Qinghai-Tibet Plateau, the Group has addressed a series of technical challenges, including subgrade hydrothermal regulation, development of durable pavements, industrialized bridge construction in permafrost regions, and integrated space-air-ground intelligent monitoring and early warning systems. The achievements have reached internationally leading levels and have been applied in projects such as the quality improvement and renovation of the Qinghai-Tibet Highway and the expansion and reconstruction of the G219 Highway, driving plateau expressways towards high-quality, green and intelligent development. Core components have achieved independent and controllable capabilities. The ϕ8.01m main bearing "Wall Breaker (破壁者號)" for shield machines has eliminated reliance on imported ultra- large-diameter main bearings, achieving independent control over core components for shield tunnels. The world's largest 5,000-ton hydraulic cylinder has been applied on the "Erhang Changqing (二航長青)" vessel, eliminating the long-standing reliance on imported core components for large pile-driving vessels. These technologies have provided irreplaceable technological advantages for major engineering projects such as mountain tunnels, cross-sea bridges and deep-sea wind power projects.

In the field of dredging and marine engineering, the Group has achieved key breakthroughs in four areas: independent and controllable capabilities of traditional dredging core equipment, green power equipment innovation, ecological dredging equipment, and offshore and deep-sea wind power construction. Traditional dredging core equipment has achieved independent and controllable capabilities. The dredging control software platform was successfully developed, which is based on domestic CPUs and operating systems, reducing system deployment and maintenance costs by 80 per cent., and has been stably deployed on 14 large dredging vessels, including the "Xinhaijiao (新海鮫)" and "Xinhaixun (新海鱘)", achieving independent control over core software and significantly reducing full-lifecycle costs. The special dredging sensing device overcame the turbulence signal-processing algorithm for sonar-array non-contact flowmeters, constructed a turbulence flow-velocity detection model, and developed hardware for data acquisition, processing and analysis, filling the gap in the field of non-contact perception of pipeline turbulent flow velocity. Green power equipment has achieved systematic breakthroughs. The Group developed a 10MW-class dual-fuel powered self-propelled trailing suction hopper dredger, filling the domestic capability gap in ultra-high-power environment-friendly self-propelled trailing suction equipment and enabling the Group to undertake overseas high-end dredging projects with stringent environmental requirements. The "Xinhaixun (新海鱘)" vessel, as the world's largest and China's first LNG dual-fuel trailing suction hopper dredger, has achieved full-lifecycle carbon reduction of over 400,000 tons and a localization rate of over 90 per cent., strengthening the Group's position in the green transformation of the global dredging market. Leveraging two 35,000-cubic-metre-class ultra-large trailing suction hopper dredgers, "Jun Guang (浚廣)" and "Tong Jun (通浚)", the Group has established a complete green equipment system covering clean power, hull energy-saving, exhaust gas purification and intelligent energy efficiency management and control. It has realised independent controllability of green power technologies for China's high-end 30,000-cubic-metre-class dredging vessels and pushed the low-carbon transformation of dredging and marine-engineering equipment into a new phase. Ecological dredging equipment has achieved world-first innovations. The "Taihu Star (太湖之星)" and "Taihu Light (太湖之光)" intelligent dredging platforms are the world's first such platforms, and have been recognized as national level technology promotion cases and excellent examples, extending the Group's business from traditional dredging to the emerging field of environmental protection dredging. The "Jun Lan (浚瀾)" vessel, as the world's first dual-power fully electric-driven environment-friendly cutter suction dredger, has three times the dredging capacity of traditional equipment, with its modular design enabling amphibious mobilization across land and water. Offshore and deep-sea wind power construction technologies have continued to achieve breakthroughs. Offshore wind power suction bucket foundation construction technology has reached internationally leading levels, shortening construction operation time by 0.5 days compared with the industry average and enabling the Group to undertake more projects within the same construction period, directly translating construction efficiency advantages into competitiveness. The Group undertook the 20MW floating wind power project "Tuqiang (圖強號)" under the national key R&D program. Upon completion, it will become the floating wind power demonstration project with the largest single-unit capacity globally, reserving core technological capabilities for the large-scale development of deep-sea wind power.

In the field of digital intelligence and software, the Group has built core capabilities and achieved largescale application across three areas: large models for transportation industry, digital twin platforms, and BIM collaborative platforms. AI empowerment accelerates the implementation of industry transformation. The "Integration of Transportation" large model has recorded cumulative token usage exceeding 260 billion and has been deployed in over 100 application scenarios, earning selection as a typical artificial intelligence application case by the Ministry of Industry and Information Technology. The Group took the lead in initiating and establishing the Artificial Intelligence Branch of the China Highway and Transportation Society (中國公路學會人工智能分會), and was selected for the State-owned Assets Supervision and Administration Commission's (SASAC) pilot program for trusted data space scenario development, as well as strategic high-value artificial intelligence scenarios for central enterprises. Digital twin platforms have formed standardized solutions. The platforms have achieved breakthroughs in multi-source heterogeneous model fusion technology, enabling integrated rendering of multi-source data such as BIM, GIS, and point clouds, improving operation and maintenance efficiency by 10 per cent. and reducing full-lifecycle costs by 8 per cent.. They have been successfully applied in 15 major engineering projects, including the Pinglu Canal (平陸運河) and Zaodu Reservoir in Chongqing (重慶藻渡水庫), forming standardized solutions that are replicable and scalable across fields such as transportation, water conservancy, and urban development. The Blue Journey BIM platform (藍途BIM平臺) has achieved large-scale deployment. The platform has been promoted and applied in a cumulative 500 engineering projects, comprehensively improving design modeling efficiency by over 35 per cent. and cross-disciplinary data collaboration efficiency by over 40 per cent., saving procurement costs exceeding RMB28 million, and effectively filling the gap in unified data definitions across all disciplines and integrated processing of multi-source BIM data in the field of transportation infrastructure.

During the six months ended 30 June 2026, the Group won 4 National Science and Technology Advancement Awards in 2025, among which "Key Technologies, Equipment and Application for the Construction of Steel Shell Concrete Immersed Tunnel of Shenzhen-Zhongshan Link" (《深中通道鋼殼混凝土沉管隧道建設關鍵技術、裝備及應用》) won the First Prize of the National Science and Technology Advancement Award, and 3 projects, namely "Key Technologies, Equipment and Application of Autonomous Positioning and Navigation for Ships in All Sea Areas" (《全海域船舶自主定位導航關鍵技術裝備與應用》), "Equipment and Key Technologies for Rapid In-situ Solidification and Efficient Large-scale Resource Utilization of Silt and Soft Soil" (《淤泥軟土快速就地固化和高效資源化大規模利用裝備與關鍵技術》), and "Key Technologies and Application of Strong Wind/Typhoon Effect Perception, Prediction and Coordinated Control for Long-span Bridges" (《長大橋梁强／颱風效應感知、預測與協同控制關鍵技術及應用》), won the Second Prize of the National Science and Technology Advancement Award.

The Group has been accumulatively awarded with 54 National Science and Technology Advancement Awards, 5 National Technological Invention Awards, 130 Luban Awards, 400 National Quality Project Awards (including 46 golden awards), 120 Zhan Tianyou Awards, 2 Chinese Golden Patent Awards and 39 Chinese Outstanding Patent Awards. The Group has accumulatively led or participated in the compilation of 196 national standards and 572 industry standards that have been promulgated. It has a total of 47,098 valid patents. The Group has 4 national-level R&D innovation platforms. With high-conversion technology investment, an irreplaceable technological competitive barrier has been established.

BUSINESS STRATEGIES

The development strategy of the Group is closely aligned with that of CCCG and emphasizes steadfastly adhering to high-quality development. The Group is committed to the "1-2-3-4-5-6" overall development strategy, unwavering in its mission to become stronger, better and bigger, and determined to build a world-class enterprise:

- **One – One Enhancement:** Striving to ensure that the Group's development always progresses in the right direction, guiding the enterprise towards high-quality development.

- **Two – Focusing on "Two Majors, Two Preferences, Two Foundations":** The focus is on "big city and big city", i.e., major transportation and urban development opportunities. The Group will give its preference to overseas business expansion and projects in rivers, lakes and seas, and build a strong foundation of talent and technology.

- **Three – Concentrating on "Three Key Areas":** The Group will focus on key projects, important regions and major markets to enhance its market operation efficiency and quality.

- **Four – Adhering to the "Four Doings":** This follows the development philosophy of being world-oriented, focusing on construction, highlighting main businesses and specialising in professional fields. Efforts will be made to strengthen investments, expand engineering projects, solidify assets and optimise capital to enhance the Group's core competitiveness.

- **Five – Promoting the "Five Businesses of CCCC":** Transitioning to the "Three-Core, Five-Business" strategy leverages the Group's core advantages, i.e., its core strengths, core businesses and core technology. The "five businesses" include strengthening the foundation of its business as engineering contractors, enhancing its business experience as investment operators, addressing its development shortcomings as urban developers, improving its manufacturing capabilities as equipment manufacturers and establishing itself as a model for ecological development.

- **Six – Accelerating the Sixisations:** The "Sixisations" refer to internationalisation, marketisation, professionalisation, regionalisation, standardisation, and informatization. The Group aims to accelerate the establishment of modern enterprise systems through these "Sixisations."

In 2025, the Group systemically formulated the "666" Strategic Framework and the "1545" Development Strategy.

The "666" Strategic Framework is the Company's overarching strategic architecture for its development in 2026. Within this framework:

- the "**Six Orientations**" function to "raise the banner and set the direction," providing steering through a focus on high quality, strategy, problem-solving, market dynamics, value creation, and high targets;

- the "**Six Eternal Strategic Issues**" offer holistic and systemic think and grab to "manage the overall situation", including directional, fundamental, global, long-term, innovative, and risk-related issues; and

- the "**Six Major Missions**" aim to "ensure implementation", act as six precise management goals and pathways, encompassing concerted efforts to "comprehensively strengthen Party leadership and development", "accelerate high-quality development comprehensively", "deepen systemic reforms comprehensively", "enhance systematic and scientific management comprehensively", "accelerate innovation and transformation comprehensively" and "reshape excellent culture and ecosystem comprehensively."

The "1545" Development Strategy is the Group's overall development strategy facing the "15th Five-Year Plan" and the longer-term future, comprising:

- "**One Goal**" is to anchor the Company's efforts on the "five wholes, four bigs and five types" framework to accelerate the construction of a world-class enterprise;

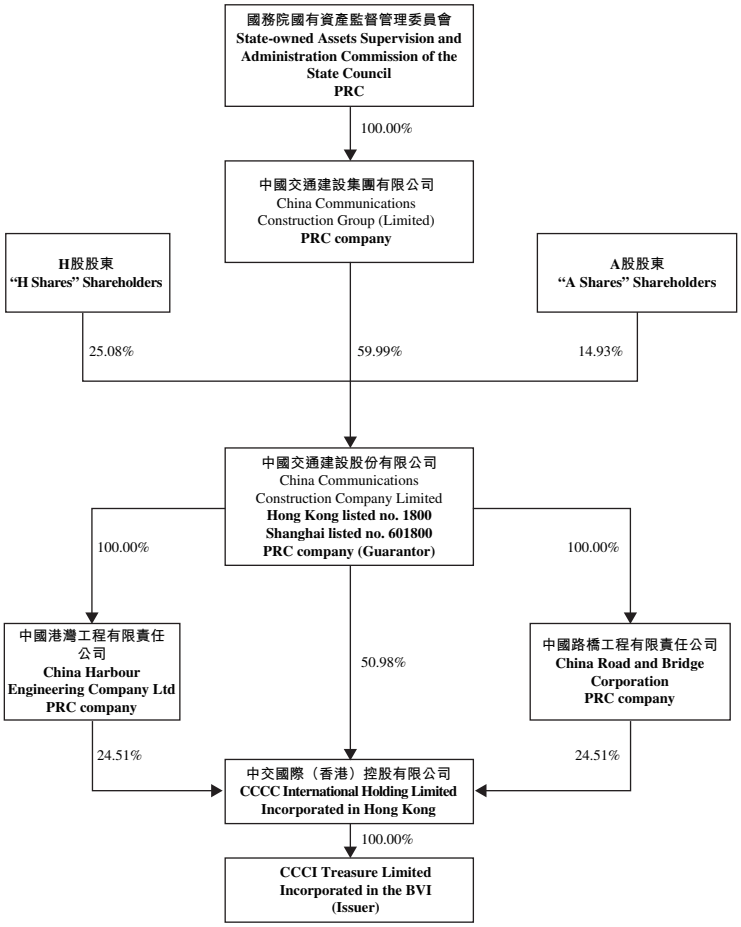
- "**Five-Wholes First-Class**" refers to: first-class integrated whole-transportation solution provider, general contractor, and operator; first-class integrated whole-urban solution provider, general contractor, and operator; first-class integrated whole-water solution provider, general contractor, and operator; first-class integrated whole-digital solution provider, service provider, and operator; and first-class integrated whole-green solution provider, service provider, and operator;

- "**Four-Bigs Leadership**" refers to: leading international competitive advantages in "big overseas"; leading distinctive development advantages in "big equipment"; leading comprehensive cluster advantages in "big industry"; and leading new-quality business format advantages in "big integration;" and

- "**Five-Types Enterprise**" refers to: CCCC as an innovation-driven enterprise, a comprehensive transportation provider, a builder of new-quality infrastructure, a globally leading entity, and a champion of integrated development.

CORPORATE STRUCTURE

The following chart illustrates the relationship between the Issuer, the Guarantor and CCCG as at 30 June 2026:



PRINCIPAL PRODUCTS AND SERVICES

Over the last several years, the Company continued to consolidate its traditional market share domestically while actively exploring and expanding emerging markets across different business segments. The Company considers diversification of its business to be one of its unique strengths. As different business segments of its business (e.g., infrastructure construction and dredging) have different business cycles, the Company believes that its service offerings have enhanced its overall risk resilience. The Company has steadily improved its business structure and increased its investment efficiency and quality.

Traditionally, the Group's business operations are grouped into infrastructure construction business, infrastructure design business and dredging business. In the first half of 2026, the Group is organised into business units based on products and services for management purposes, and has the following three reportable segments:

- ***New quality infrastructure business***: the new infrastructure segment mainly provides construction services for infrastructure such as ports, roads, bridges and railways, as well as engineering services such as infrastructure dredging, maintenance dredging, environmental dredging and reclamation;

- ***Design consultancy business***: the design and consulting segment mainly provides consulting and planning services, feasibility studies, survey and design, engineering consultancy, engineering measurement and technical research, project management, project supervision, EPC contracting, etc.; and

- ***Other businesses***: the other segments mainly include material sales, fund investment and equipment manufacturing, etc.

The following table sets forth the breakdown of the Group's revenue and gross profit by business segments before elimination of inter-segment sales and unallocated profits for the years ended 31 December 2023, 2024 and 2025:

	Year Ended 31 December											
	2023[1]				2024				2025			
	Revenue	% of the total revenue	Gross Profit	% of the total gross profit	Revenue	% of the total revenue	Gross Profit	% of the total gross profit	Revenue	% of the total revenue	Gross Profit	% of the total gross profit
	(RMB in millions, except percentages)											
Infrastructure construction	667,802	84.7	77,179	81.7	682,603	84.9	74,610	80.5	650,150	84.9	64,672	80.2
Infrastructure design	47,302	6.0	8,731	9.2	36,287	4.5	7,244	7.8	36,511	4.8	6,722	8.3
Dredging	53,506	6.8	7,136	7.6	59,461	7.4	7,857	8.5	54,191	7.1	6,222	7.7
Other businesses	19,369	2.5	1,434	1.5	26,064	3.2	2,992	3.2	24,289	3.2	3,026	3.8
Inter-segment elimination and unallocated profit/(costs)	(32,292)	–	69	–	(36,172)	–	(100)	–	(38,505)	–	(84)	–
Total	**755,687**	**100**	**94,549**	**100**	**768,243**	**100**	**92,603**	**100**	**726,636**	**100**	**80,558**	**100**

Note:

(1) The contributions by each of the Group's business segments in terms of revenue and as a percentage of its total revenue before elimination of inter-segment sales and unallocated profits for the year ended 31 December 2023 have been restated to account for the Group obtaining control over China Communications Construction (Xiamen) E-commerce Co., Ltd. through capital increase and its acquisition of China Zhibao Investment Co., Ltd. from China Real Estate Development Group Co., Ltd in 2024.

The following table sets forth the breakdown of the Group's revenue from principal operations and gross profit by the three reportable segments, which are namely new quality infrastructure, design consultancy and other businesses, before elimination of inter-segment sales and unallocated profits for the six months ended 30 June 2025 and 2026:

	Six Months Ended 30 June					
	2025			2026		
	Revenue from principal operations	Cost from principal operations	Gross profit margin (%)	Revenue from principal operations	Cost from principal operations	Gross profit margin (%)
	(RMB in millions, except percentages)					
New quality infrastructure	318,874	287,343	9.89	316,788	287,979	9.09
Design consultancy	12,853	10,522	18.14	12,259	10,412	15.06
Other businesses	4,790	3,202	33.17	4,421	3,126	29.28
Inter-segment elimination and unallocated profit/(costs)	(1,734)	(1,870)	–	(3,064)	(3,017)	–
Total	**334,783**	**299,196**	**10.63**	**330,404**	**298,501**	**9.66**

New quality infrastructure business

The new infrastructure segment mainly provides construction services for infrastructure such as ports, roads, bridges and railways, as well as engineering services such as infrastructure dredging, maintenance dredging, environmental dredging and reclamation. For the six months ended 30 June 2026, the Group's revenue from principal business of new quality infrastructure amounted to RMB316,788 million, representing a decrease of 0.65 per cent. from the corresponding period in 2025; the Group's gross profit from new quality infrastructure business amounted to RMB28,809 million, representing a decrease of 8.63 per cent. from the corresponding period in 2025; and gross profit margin amounted to 9.09 per cent., falling by 0.79 percentage points from the corresponding period in 2025.

In the first half of 2026, the decrease in revenue from new quality infrastructure business was primarily due to the slowdown in the domestic construction industry, whereas the decrease in gross profit and gross profit margin was mainly attributable to the contraction in domestic revenue, a higher proportion of newly commenced and winding-down projects with lower profit contributions, and the reduced profitability of infrastructure investment projects during the construction phase.

Design consultancy business

The design and consulting segment mainly provides consulting and planning services, feasibility studies, survey and design, engineering consultancy, engineering measurement and technical research, project management, project supervision, EPC contracting, etc. For the six months ended 30 June 2026, the Group's revenue from principal business of design consultancy amounted to RMB12,259 million, representing a decrease of 4.62 per cent. from the corresponding period in 2025; gross profit from design consultancy businesses amounted to RMB1,847 million, representing a decrease of 20.79 per cent. from the corresponding period in 2025; and the gross profit margin of design consultancy businesses amounted to 15.06 per cent., falling by 3.07 percentage points. from the corresponding period in 2025.

The decrease in revenue from design consultancy business was primarily due to the slowdown in the growth of the domestic construction industry. The decrease in gross profit and gross profit margin was mainly attributable to a reduction in high-margin design-related projects and an increase in EPC projects.

Other businesses

The other segments mainly include material sales, fund investment and equipment manufacturing, etc. For the six months ended 30 June 2026, the Group's revenue from other businesses amounted to RMB4,421 million, representing a decrease of 7.71 per cent. from the corresponding period in 2025; the Group's gross profit from other businesses amounted to RMB1,294 million, representing a decrease of 18.50 per cent. from the corresponding period in 2025; gross profit margin amounted to 29.28 per cent., decreasing by 3.88 per cent. from the corresponding period in 2025.

Overview

The Group is a globally leading infrastructure construction company: it is the world's largest port, road and bridge design and construction company as well as the largest integrated highway construction service provider in China. The Group continuously improved the business structure, steadily expanded the scale of cash remittance and significantly enhanced the quality and efficiency of investment.

The "five-wholes" in the Group's business layout refers to its main industrial fields, which are namely whole transportation, whole cities, whole water, whole green and whole digital. Among which, whole transportation, whole cities and whole water have been the Group's main responsibilities and businesses while whole green and whole digital are the direction of future transformation.

Whole Transportation

The whole transportation is one of the Company's core principal businesses and fundamental business base. The Company is the world's largest port and waterway design and construction company, having designed and constructed over 80 per cent. of China's coastal ports and terminals. It owns the world's largest engineering vessel fleet and is the world's largest dredging and land reclamation service provider, having undertaken over 70 per cent. of coastal channel construction and maintenance projects in China. In the field of roads and bridges, the Company possesses key technologies for super-long-span bridges and is renowned as the "Highway King"; its market share in railway construction firmly ranks third in the domestic industry and first among non-railway enterprises. During the six months ended 30 June 2026, the whole transportation business achieved newly signed contract value of RMB428,617 million, representing a year-on-year increase of 18.39 per cent. as compared to the same period in 2025. The Company's market shares in road and bridge and water transportation businesses remained the highest in the industry, while the railway business maintained a sustained growth trend. Of which, the overseas whole transportation business achieved RMB169,234 million, representing a year-on-year increase of 52.51 per cent. as compared to the same period in 2025.

Whole Cities

The whole cities is one of the Company's core principal businesses, leading in scale among the "five wholes" business fields. The Company's urban renewal business has covered over 250 cities, its municipal engineering business ranks in the first tier, and its cumulative constructed mileage and market share in comprehensive utility tunnels rank among the top in China. During the six months ended 30 June 2026, the whole cities business achieved newly signed contract value of RMB326,605 million, and the market share of the municipal business demonstrated a growing trend.

Whole Water

The whole water business is one of the Company's core businesses and its "second growth curve". Its water-related equipment and construction capabilities hold a global leading position. The Company holds 15 first-grade general contracting qualifications for water conservancy and hydropower construction, including 3 newly added since 2025, and continues to prepare and accumulate core elements for extra-grade qualifications. The Company ranks in the industry's first tier for watershed governance, water ecological restoration, and marine engineering, with its marine ecological restoration covering major coastal provinces. During the six months ended 30 June 2026, the whole water business recorded a new contract value of RMB46,826 million.

Whole Green

Whole green is one of the main directions for the Company's transformation. As a major player in offshore wind power construction, the Company has industry-leading capabilities in wind power foundation construction, wind turbine installation, submarine cable laying, survey, supervision, and Operations & Maintenance ("**O&M**") services. In 2026, China's new installed capacity of offshore wind power has ranked first in the world for eight consecutive years, with cumulative installed capacity accounting for 52 per cent. of the global total, and the Company has undertaken a significant amount of related construction work, with the highest market share in the offshore wind power sector. The layout of energy storage and transportation energy integration businesses has accelerated, with the bid-winning scale of new-type energy storage projects continuously expanding, and the Company's position as a pioneer in transportation-energy integration becoming increasingly consolidated. In the first half of 2026, the Group's overseas new energy business has achieved multi-point breakthroughs, with the Company undertaking a number of wind power, photovoltaic, and waste-to-energy projects in countries such as Laos, Serbia, Norway, and Morocco. During the six months ended 30 June 2026, the whole green business achieved a value of new contracts of RMB81,021 million, among which, the agriculture, forestry, animal husbandry and fishery business achieved a value of new contracts of RMB10,900 million, representing a year-on-year increase of 24.50 per cent. as compared to the same period in 2025.

Whole Digital

Whole digital is one of the main directions for the Company's transformation. In 2026, the Company's general contracting for data center electromechanical engineering has rapidly scaled up, and the development layout of computing power hub parks has accelerated, successively implementing benchmark projects in "Eastern Data, Western Computing" hub nodes such as Gansu Qingyang, Ningxia Zhongwei, and Xinjiang Kerongyun (新疆克融雲). Smart transportation software has formed core capabilities such as the "Integration of Transportation" large model, digital twins, and the Blue Journey BIM platform, and data asset operations took the lead in achieving breakthroughs – completing the issuance of the first data asset ABS among central enterprises in 2026 and realizing the recognition of data assets in financial statements. The Company has formed comprehensive service capabilities covering the entire chain of "hardware construction + software platform + data operations" for computing power networks and new-generation communication networks. Whole digital serves not only as the connecting foundation for "Eight-Network Integration", empowering the smart upgrading of traditional infrastructure, enhancing project added value and profitability quality, but also as an independent future-oriented growth track.

BACKLOG AND NEW CONTRACTS

Backlog

Backlog refers to the Group's estimate of the contract value of work that remains to be completed as at a certain date. The contract value of a project represents the amount that the Group expects to receive under the terms of the contract assuming the contract is performed in accordance with its terms. The Group's backlog as at 31 December 2023, 2024 and 2025 and 30 June 2026 amounted to RMB3,450,659 million, RMB3,486,773 million, RMB3,445,952 million and RMB3,216,563 million, respectively. Backlog is not a measure defined by generally accepted accounting principles and may not be indicative of the Group's future operating results.

New Contracts

New contracts represent the contract value of new contracts entered into by the Group for a certain period. New contracts are not a measure defined by generally accepted accounting principles. The Company believes that its solid relationships with its customers, as well as the growth in its overseas business as a result of its implementation of the "Go Global" strategy and the Belt and Road Initiative, ensured stable growth in the orders.

In 2025, the value of new infrastructure construction contracts entered into by the Group amounted to RMB1,722,420 million, representing a year-on-year increase of 1.3 per cent. compared against 2024. The value of new contracts from overseas markets amounted to RMB377,791 million. Wherein, the confirmed value of contracts from infrastructure investment projects was RMB80,089 million for domestic market and RMB8,453 million for overseas market, and the value of construction and installation contracts to be undertaken by the Company was estimated to be RMB75,377 million.

Categorised by project type and location, the value of new contracts in terms of port construction, road and bridge construction, railway construction, urban construction and overseas projects amounted to RMB94,781 million, RMB269,060 million, RMB16,385 million, RMB964,403 million and RMB377,791 million, representing 5 per cent., 16 per cent., 1 per cent., 56 per cent. and 22 per cent. of the total value of new infrastructure construction contracts, respectively.

During the six months ended 30 June 2026, the value of new contracts of the Group amounted to RMB902,949 million, representing a year-on-year decrease of 8.89 per cent. from RMB991,054 million for the corresponding period in 2025, which is in line with the scheduled progress. During the same period, the value of new contracts of new-quality infrastructure business, design consultancy business and other businesses amounted to RMB877,423 million, RMB20,366 million and RMB5,160 million, respectively.

During the six months ended 30 June 2026, the value of new contracts of all businesses from overseas markets of the Group amounted to RMB241,678 million, representing a year-on-year increase of 21 per cent., and accounting for approximately 27 per cent. of the Group's new contracts value. Wherein, the value of new contracts from new quality infrastructure business, design consultancy business and other businesses from overseas markets amounted to RMB240,062 million, RMB1,401 million and RMB215 million, respectively.

Categorised by business industry segments, the value of new contracts in terms of whole transportation, whole cities, whole water, whole green and whole digital amounted to RMB428,617 million, RMB326,605 million, RMB46,826 million, RMB9,624 million, RMB81,021 million, respectively.

The following table sets forth the Group's new contract value for its infrastructure construction operations for 2023, 2024 and 2025 by each type of construction project:

	Year Ended 31 December					
	2023		2024		2025	
	New contract value	% of total infrastructure construction	New contract value	% of total infrastructure construction	New contract value	% of total infrastructure construction
	(RMB in millions)					
Port construction	84,523	5.4	87,634	5.1	94,781	5.5
Road and bridge construction	349,005	22.4	275,188	16.2	269,060	15.6
Railway construction	36,919	2.4	16,260	1.0	16,385	1.0
Urban construction	792,908	50.9	976,856	57.4	964,403	56.0
Overseas projects	295,126	18.9	344,644	20.3	377,791	21.9
Total infrastructure construction	**1,558,482**	**100**	**1,700,582**	**100**	**1,722,420**	**100**

The following table sets forth the Group's new contract value for the first half of 2026 by business areas and business industry segments:

	Six Months Ended 30 June 2026	
	New contract value	% of segment
	(RMB in millions)	
Whole transportation	**428,617**	**100%**
Road and bridge business	185,707	43%
Water transportation business	122,477	29%
Railway business	70,776	17%
Urban rail transit business	24,667	5%
Others	24,990	6%
Whole cities	**326,605**	**100%**
Housing construction business	229,877	70%
Municipal business	75,028	23%
Others	21,700	7%
Whole water	**46,826**	**100%**
Water conservancy business	23,454	50%
Water environment business	17,879	38%
Others	5,493	12%
Whole digital	**9,624**	**100%**
Whole green	**81,021**	**100%**
New energy business	55,321	68%
Agriculture, forestry, animal husbandry and fishery business	10,900	14%
Others	14,800	18%
Other segments	**10,256**	**100%**

RESEARCH AND DEVELOPMENT

Technological innovation serves as the core driver of the Company's high-quality development and the critical backbone supporting strategic implementation and engineering construction. Centered on building a "smart" new development engine, the Company has systematically established a "three levels and four categories" innovation platform system. By 2025, it had built 177 innovation platforms at the national, ministerial/provincial, and group levels, achieving full coverage of the entire innovation chain from basic research, technology R&D to achievement transformation. Leveraging its "four generations and five categories" R&D layout and deepening the integration of "industry-university-research-application," the Company has achieved multiple core technological breakthroughs in key areas such as super-large-span bridges, deep-water tunnels, and smart transportation large models, filling industry technology gaps.

The Company has four national-level R&D innovation platforms, with 15 subsidiaries enjoying the preferential tax policies for high-tech enterprises, and employs an R&D workforce of 33,000 professionals. Over the years, the Company has been accumulatively awarded with 54 National Science and Technology Advancement Awards, 5 National Technological Invention Awards, 130 Luban Awards, 400 National Quality Project Awards (including 46 golden awards), 120 Zhan Tianyou Awards, 2 Chinese Golden Patent Awards and 39 Chinese Outstanding Patent Awards. As at 30 June 2026, the Company has accumulatively led or participated in the compilation of 196 national standards and 572 industry standards that have been promulgated. It has a total of 47,098 valid patents.

The total expenditure on research and development of the Group for the year ended 31 December 2025 amounted to RMB25,029 million, accounting for 3.4 per cent. of the revenue. In 2025, the Company increased R&D investment in strategic emerging industries and future industries such as smart highways, intelligent port, advanced engineering vessels, industrial software, water conservancy and hydropower, and underground space development. For the six months ended 30 June 2026, the research and development expenses of the Group was RMB8,119 million, accounting for 2.44 per cent. of the operating revenue, representing a decrease of 0.18 percentage point as compared with the corresponding period in 2025.

ESG Development

In 2025, the Company has further refined its ESG strategy, establishing the "5461" ESG strategic framework, forming a comprehensive and multi-level sustainable development model. It thoroughly implements the five core concepts of "Innovation, Green, Digital Intelligence, Integration, and Sustainability," and consolidates the foundation for sustainable development through four major initiatives: "enhancing governance structure, innovating institutional framework, strengthening capacity building, and reinforcing multidimensional coordination." The Company advances six major agendas: "fully implementing the new development philosophy, deepening corporate governance, developing green industries, ensuring high-quality product supply, promoting technological innovation, and strengthening supply chain construction," thereby integrating social responsibility deeply into business development. The Company is committed to serving as a stabilizer and cornerstone for the national economy, focusing on the "Five Comprehensiveness, Four Strengths, and Five Types" framework, and accelerating the development of a world-class enterprise. In general, the Company has established a normalized mechanism for managing ESG impacts, risks, and opportunities. The Board Strategy, Investment and ESG Committee receives an annual specialized report on key ESG topics, sets annual management objectives, and reviews and evaluates the implementation of the previous year. The Party Committee Work Department leads and coordinates, with all functional departments and affiliated units collaborating. Through regular meetings, ESG policies, market environment, and operational risks are assessed, and ESG requirements are deeply integrated throughout production, operations, and customer services. During project implementation and business operations, key matters such as environmental impacts, energy conservation and emission reduction, and resource utilization efficiency are prioritized. Potential risks and development opportunities are promptly identified, and progress and results are regularly reported to management and the Board of Directors. Relevant systems and compliance procedures are concurrently refined to continuously strengthen ESG risk prevention and value creation capabilities, ensuring the Company's sustainable development.

The Company conducts in-depth research on national macro policies, industry development trends, and regulatory requirements, benchmarking against mainstream ESG standards and the practices of leading enterprises. Internal and external stakeholders are invited via online questionnaires to assess the importance of different ESG development topics from their respective perspectives. In 2025, more than 1,500 questionnaires were collected and statistically analysed, with topic scores used to allocate weights according to risk levels. A materiality matrix was developed based on two dimensions: "impact significance" and "financial significance".

SAFETY, ENVIRONMENTAL PROTECTION AND QUALITY CONTROL

The Group has established and implemented a set of integrated safety, environmental protection and quality control internal procedures based on the applicable PRC regulations, international ISO9001:2000 and ISO14001:1996 standards and domestic GB/T1800:2001 standards. The Group's evaluation procedures set out, among others, the standard of quality, safety and environmental protection to be attained, the roles and responsibilities of various departments and staff members, the procedures and activities to be monitored by management and the measures to be adopted in order to attain the designated standards.

The Group endeavours to ensure a high level of quality in the management and performance of its contracts and projects, and each principal operating subsidiary of the Group has established a Quality Management Department, which regularly conducts checks to ensure product quality and strict observance of and compliance with relevant construction and production standards. The head office and each principal operating subsidiary of the Group have also established their own Safety, Health and Environmental Protection Departments, which are responsible for supervising and regulating labour, safety and health conditions and monitoring compliance with statutory environmental protection regulations relating to air, water, noise and solid waste pollution. The Group imposes safety and anti-pollution measures, as well as regular internal safety and environmental inspections, at all stages of its operations in order to minimise the possibility of work-related accidents and injuries. It also monitors the safety and environmental protection aspects of its subcontractors' operations. As the Group believes that safe practices are essential to ensure employee safety, it conducts regular safety training sessions and provides safety education to employees. Although the Group has stringent safety measures in place, its construction operations involve inherent occupational risks. There is no guarantee that any safety-related incidents will not have an adverse impact on its reputation, corporate image and results of operations.

The Group also has strictly implemented international conventions and domestic laws in relation to air pollution, including the Environmental Protection Law, the Measures for Supervision and Administration of Energy Conservation and Ecological Environment Protection by Central Enterprises (《中央企業節約能源與生態環境保護監督管理辦法》), and has strictly controlled the emission in the production process, and strengthened the environmental monitoring capability building. The Group has strictly implemented relevant national energy-saving and emission reduction policies and standards, and continuously promoted energy-saving and emission reduction work, low-energy, pollution-free and high-efficiency technology, equipment and products. In addition, the Group vigorously carried out the activity of "establishing the green grassroots", implemented "Four Savings and Environmental Protection" (energy, land, water and materials saving and environmental protection) for construction projects and promoted the in-depth implementation of energy conservation and emission reduction work. The Group insists on integrating energy conservation and environmental protection work into the whole process of its production, operation management and project construction. For further strengthening the rooftop design relating to energy conservation and environmental protection, the Company issued the Standard Framework and Guideline of Production Safety, Quality Supervision, and Energy Conservation and Environmental Protection Supervision of CCCC both in Chinese and English, which is comprised of 4 major categories, i.e. basic standards, management standards, working standards and operating standards, with its contents covering the energy conservation and environmental protection work in all business fields of the Company, thereby putting the concept of green development into practice throughout the whole process of planning, design, construction, operation and maintenance of transportation infrastructure.

INTELLECTUAL PROPERTY RIGHTS

The Group relies on patents, copyrights, trademarks and contractual rights to protect its intellectual property rights. The intellectual property rights are critical to the Group's businesses. Over the years, the Group has been awarded 54 National Science and Technology Advancement Awards, 5 National Technological Invention Awards, 130 Luban Awards, 400 National Quality Project Awards (including 46 golden awards), 120 Zhan Tianyou Awards, 2 Chinese Golden Patent Awards and 39 Chinese Outstanding Patent Awards. In 2025, the Group has accumulatively led or participated in the compilation of 196 national standards and 572 industry standards that have been promulgated. The Group continuously submits patent applications for products and technologies that it has developed. It also possesses unregistered trade secrets, technologies, know-hows, processes and other intellectual property rights. As at the date of this Offering Circular, the Group did not suffer any material infringement of intellectual property by other parties and, to the best of its knowledge, has not violated any intellectual property rights of any third parties nor was the Guarantor a party to any material litigation brought by any third party due to infringement of intellectual property rights.

EMPLOYEES

As at 30 June 2026, the Group had 133,906 employees that had signed labor contracts with the Group. As at the date of this Offering Circular, there are no material disruptions to the Group's operations due to labour disputes which would have a material adverse effect on the Group's business or financial condition.

The Group links employees' remuneration with their performance, as well as the Group's annual budget. The remuneration of the employees includes wages, performance bonus and allowance. In accordance with applicable PRC regulations, the employees of the Group are also entitled to pensions, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing funds as well as other fringe benefits for current and retired employees provided by the Group. As at 30 June 2026, the Group's retirement benefits and early retirement benefits obligations amounted to RMB788 million.

INSURANCE

Pursuant to the general practice in the industry, the Group is required to obtain fire, liability or other property insurance for the property, equipment or inventory in relation to its major businesses, and is required to obtain construction project all-risk insurance for most of the construction projects it undertakes. Such policies generally cover the entire contract period, including the maintenance period following completion of the project. The Group purchases pension, medical, unemployment, workplace injury and maternity insurances and makes housing fund contributions for its employees pursuant to the relevant PRC laws and regulations.

LEGAL PROCEEDINGS

Save as disclosed in this Offering Circular, the Group is not involved in any material legal proceedings, claims or disputes currently existing or pending against the Group that may have a material adverse effect on the Group's business or financial condition as at the date of this Offering Circular.

BOARD OF DIRECTORS

The members of the Guarantor's board of directors as at the date of this Offering Circular are as follows:

Name	Position
SONG Hailiang	Executive Director and Chairman
ZHANG Bingnan	Executive Director and president
LIU Xiang	Executive Director
GAO Chunlei	Non-executive Director
CHAN Wing Tak Kevin	Independent Non-executive Director
WANG Qingqin	Independent Non-executive Director
LIU Ruchen	Independent Non-executive Director
WU Aihong	Non-executive Director
YANG Xiangyang	Employee Director

The biographies of the members of the Guarantor's board of directors as at the date of this Offering Circular are as follows:

Mr. SONG Hailiang, born in 1965, Chinese nationality, is the secretary of the Party Committee, an executive Director and the chairman of the Board of the Guarantor. He also serves as the secretary of the Party Committee and the chairman of CCCG. Mr. Song has extensive experience in corporate operation administration. He held positions as a member of the standing committee of the Party Committee, the vice president, the deputy secretary of the Party Committee, an executive Director and the president of the Guarantor; the deputy secretary of the Party Committee, a director and the general manager of CCCG; the secretary of the Party Committee and the chairman of China Energy Engineering Group Co., Ltd.* (中國能源建設集團有限公司); and the secretary of the Party Committee and the chairman of China Energy Engineering Corporation Limited (中國能源建設股份有限公司). Mr. Song graduated from Wuhan Institute of Water Transportation Engineering with a major in port machinery design and manufacture. He later pursued studies in engineering management at Tianjin University and obtained a doctorate degree in management. He is a senior engineer. Mr. Song has been serving as an executive Director and the chairman of the Board of the Guarantor since July 2025.

Mr. ZHANG Bingnan, born in 1972, Chinese nationality, is the deputy secretary of the Party Committee, an executive Director and the president of the Guarantor. He also serves as the deputy secretary of the Party Committee, a director and the general manager of CCCG. Mr. Zhang has extensive experience in operation administration. He held positions as a member of the standing committee of the Party Committee and the deputy general manager of China Poly Group Corporation (中國保利集團有限公司); and the deputy secretary of the Party Committee, a director and the general manager of China Forestry Group Corporation* (中國林業集團有限公司). Mr. Zhang graduated from Beijing Normal University with a major in economic management. He later pursued studies in applied economics at Xi'an Jiaotong University and obtained a doctorate degree in economics. He is a senior economist. Mr. Zhang has been serving as the president of the Guarantor since June 2025, and as an executive Director of the Guarantor since July 2025.

Mr. LIU Xiang, born in 1968, Chinese nationality, is the deputy secretary of the Party Committee and an executive Director of the Guarantor. He also serves as the deputy secretary of the Party Committee and an employee director of CCCG. Mr. Liu has extensive experience in corporate administration. He held positions as the inspector at the deputy director level of the Party mass work department, the deputy director of the Party mass work department and the secretary of the Youth League Committee of China Aerospace Science and Industry Corporation Limited (中國航天科工集團有限公司) ("Aerospace Science and Industry Corporation"), the chairman of the supervisory committee of Guizhou Aerospace Industry Co., Ltd. (貴州航天工業有限責任公司) and the director of the discipline inspection and supervision department, the deputy head of the Party disciplinary inspection group and the director of the human resource department of Aerospace Science and Industry Corporation. Mr. Liu successively graduated from Anhui Institute of Education majoring in Chinese. He later pursued studies at Renmin University of China and Beihang University, where he obtained a master's degree in literature and arts and a master's degree in business administration, respectively. He is a senior political engineer at the research institute level. Mr. Liu has been serving as the executive Director of the Guarantor since June 2021.

Mr. GAO Chunlei, born in 1966, Chinese nationality, is a non-executive Director of the Guarantor and a full-time external director of state-owned enterprises. He also serves as an external director of CCCG, an independent non-executive director of Air China Limited and an external director of China Satellite Network Group Co., Ltd.* (中國衛星網絡集團有限公司). Mr. Gao has extensive experience in corporate operation and management and financial management. He held positions as the chief accountant, a member of the Party Committee, a director and the deputy secretary of the Party Committee of China Tower Corporation Limited ("China Tower"). Mr. Gao graduated from Beijing Institute of Posts and Telecommunications with a major in posts and telecommunications management engineering. He later pursued studies at ESC Rennes School of Business and obtained a doctorate degree in business administration. He is a senior economist. Mr. Gao has been serving as a non-executive Director of the Guarantor since January 2026.

Mr. CHAN Wing Tak Kevin, born in 1966, Chinese nationality, a resident of Hong Kong Special Administrative Region, is an independent non-executive Director of the Guarantor, the vice president of Chinese Banking Association of Hong Kong and a member of the Chinese People's Political Consultative Conference Guangdong Committee (中國人民政治協商會議廣東省委員會). He also serves as an independent nonexecutive director of TravelSky Technology Limited and Royale Home Holdings Limited, respectively, and concurrently holds memberships in the following committees under The Government of the Hong Kong Special Administrative Region: the Chief Executive's Policy Unit Expert Group, the Independent Police Complaints Council, the Election Committee, the Listing Review Committee of Hong Kong Exchanges and Clearing Limited, the Investor and Financial Education Council of the Securities and Futures Commission of Hong Kong, etc. Mr. Chan has extensive experience in finance, securities and financial management. He held positions as the head of research division of Nomura International (Hong Kong) Limited in China and Hong Kong and the director of banking department thereof in Asia region; the head of China and Hong Kong Financial Department of CLSA Asia-Pacific Markets; and a senior advisor of KPMG China. Mr. Chan graduated from London School of Economics and Political Science with a master's degree in economics and has qualification of Fellow Certified Practising Accountant in Australia. Mr. Chan has been serving as an independent non-executive Director of the Guarantor since February 2022.

Mr. WANG Qingqin, born in 1964, Chinese nationality, is an independent non-executive Director of the Guarantor. He possesses extensive experience in architectural design and technology management. He previously served as a member of the Party Committee and vice president of the China Academy of Building Research as well as a member of the Party Committee and deputy general manager of China Academy of Building Research Co., Ltd. Mr. Wang graduated from Harbin Institute of Civil Engineering and Architecture, majoring in architectural thermal energy engineering. He later pursued studies in corporate management at University of Science and Technology Beijing with a doctor's degree in management. He is a professor-grade senior engineer. Mr. Wang has been serving as an independent non-executive Director of the Guarantor since January 2026.

Mr. LIU Ruchen, born in 1963, Chinese nationality, is an independent non-executive Director of the Guarantor. He also serves as the independent director of China State Construction Engineering Corporation Ltd. Mr. Liu possesses extensive experience in engineering construction and corporate management. He previously served as a member of the standing committee of the Party Committee of China Railway Construction Corporation Co., Ltd., the vice president and a member of the standing committee of the Party Committee of China Railway Construction Corporation Limited, a member of the standing committee of the Party Committee of China Railway Construction Corporation as well as a member of the standing committee of the Party Committee and an executive director of China Railway Construction Corporation Limited. Mr. Liu graduated from the China PLA Railway Corps Academy (中國人民解放軍鐵道兵學院), majoring in engineering machinery. He later pursued studies in management science and engineering at Southwest Jiaotong University with a master's degree in management. He is a professorate senior engineer. Mr. Liu has been serving as an independent non-executive Director of the Guarantor since January 2026.

Ms. WU Aihong, born in 1968, Chinese nationality, is a non-executive Director of the Guarantor and a full-time external director of state-owned enterprises. She also serves as an external director of Sinochem Holdings Corporation Ltd. and an external director of China International Intellectech Group Co., Ltd. Ms. Wu possesses extensive experience in legal compliance and policy research. She previously served as assistant general manager, general counsel and chief compliance officer of State Power Investment Corporation Limited. Ms. Wu graduated from Peking University with a master's degree in laws, majoring in science of civil law. She is a senior economist. Ms. Wu has been serving as a non-executive Director of the Guarantor since January 2026.

SENIOR MANAGEMENT

The members of the Guarantor's senior management as at the date of this Offering Circular are as follows:

Name	Position
Mr. LIU Zhengchang	Chief Financial Officer and Secretary of the Board
Mr. YANG Zhichao	Vice President

The biographies of the members of the Guarantor's senior management as at the date of this Offering Circular are as follows:

Mr. LIU Zhengchang, born in 1968, Chinese nationality, is currently the chief financial officer of the Guarantor and Board secretary. He also serves as the member of the standing committee of the Party Committee and the chief accountant of CCCG. Mr. Liu has extensive experience in enterprise economic management, financial management and internal audit, and he once served as a member of the Party Committee, the deputy general manager and the chief accountant of China Railway 15th Bureau Group Co., Ltd., as well as a member of the Party Committee, the deputy general manager and the chief accountant of China Railway 16th Bureau Group Co., Ltd; the chief of the audit and supervision bureau; a supervisor; a supervisor, the chief auditor, chief of the audit and supervision bureau; the chief auditor, a supervisor and general manager of the audit and supervision department of China Railway Construction Corporation Limited. Mr. Liu graduated from Dongbei University of Finance and Economics majoring in business administration, and obtained his master's degree in business administration. He is a senior accountant and was elected as a member of the national training programme for leaders in the accounting profession. Mr. Liu has been serving as the chief financial officer of the Guarantor since January 2024, and serving as the Board secretary of the Guarantor since July 2024.

Mr. YANG Zhichao, born in 1981, Chinese nationality, is currently a member of the Party Committee and the vice president of the Guarantor. Mr. Yang has extensive operational and management experience. He has successively served as the deputy general manager (deputy director) of the human resource department II (the Party Committee organisation department), a deputy director (deputy general manager) of the Party Committee work department (the enterprise culture department), a deputy director of the Party Committee work department (the Party Committee united front work department) and the secretary of the Youth League Committee of the Guarantor; the deputy secretary of the Party Committee, a director and the general manager of China Urban and Rural Holding Group Co., Ltd. (中國城鄉控股集團有限公司); and the chairman of the board of directors of Southwest Municipal Engineering Design and Research Institute of China (中國市政工程西南設計研究總院有限公司). Mr. Yang obtained a bachelor's degree in engineering with a major in civil engineering from Changsha Jiaotong College (長沙交通學院) and subsequently obtained a master's degree in engineering with a major in transportation engineering from Changsha University of Science & Technology (長沙理工大學). He is a senior engineer and a senior political engineer. Mr. Yang has been serving as the vice president of the Guarantor since August 2021.

This section summarises the principal PRC laws and regulations which are relevant to the Group's business and operations. As this is a summary, it does not contain a detailed analysis of the PRC laws and regulations which are relevant to the Group's business and operations.

PRC CURRENCY CONTROLS

Current Account Items

Under PRC foreign exchange control regulations, current account items refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers.

Prior to July 2009, all current account items were required to be settled in foreign currencies with limited exceptions. In July 2009, the PRC commenced a pilot scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. Following progressive reforms, Renminbi settlement of imports and exports of goods and of services and other current account items became permissible nationwide in 2012. However, according to the *Notice on Matters Relevant to the Administration of Enterprises Engaged in Renminbi Settlement of Export Trade in Goods* (關於出口貨物貿易人民幣結算企業管理有關問題的通知) (the "2012 Circular"), the key enterprises on a Supervision List determined by PBOC and five other relevant authorities would be subject to enhanced scrutiny when banks process current account cross-border repatriations.

On 5 July 2013, the PBOC promulgated the *Circular on Policies related to Simplifying and Improving Cross-border Renminbi Business Procedures* (關於簡化跨境人民幣業務流程和完善有關政策的通知) (the "2013 PBOC Circular"), which, in particular, simplifies the procedures for cross border Renminbi trade settlement under current account items. For example, PRC banks may conduct settlement for PRC enterprises (excluding those on the Supervision List) upon the PRC enterprises presenting the payment instruction. PRC banks may also allow PRC enterprises to make/receive payments under current account items prior to the relevant PRC bank's verification of underlying transactions (noting that verification of underlying transactions is usually a precondition for cross border remittance). On 5 September 2015, the PBOC promulgated the Circular on Further Facilitating the Cross-Border Bi-directional Renminbi Cash Pooling Business by Multinational Enterprise Groups (關於進一步便利跨國企業集團開展跨境雙向人民幣資金池業務的通知) (the "2015 PBOC Circular"), which, among others, have lowered the eligibility requirements for multinational enterprise groups and increased the cap for net cash inflow.

On 5 January 2018, the People's Bank of China promulgated the Notice on Further Improving Policies of Cross-Border RMB Business to Promote Trade and Investment Facilitation (中國人民銀行關於進一步完善人民幣跨境業務政策促進貿易投資便利化的通知), which supports enterprises to use RMB in any cross border settlement that may be settled in foreign currency and for the investment income such as profits and dividends legally obtained by overseas investors in China, and banks shall review relevant materials as required before processing cross-border RMB settlement and ensure free remittance of profits of foreign investors in accordance with the law.

The regulations referred to above will be subject to further interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying these regulations and impose conditions for settlement of current account items.

Capital Account Items

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of, and/or registration or filing with, the relevant PRC authorities.

Historically, settlement for capital account items were generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) were required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or relevant PRC parties were also generally required to make capital account payments including proceeds from liquidation, transfer of shares, reduction of capital, interest and principal repayment to foreign investors in a foreign currency.

On 10 May 2013, SAFE promulgated the *Provisions on the Foreign Exchange Administration of Domestic Direct Investment by Foreign Investors* (外國投資者境內直接投資外匯管理規定) (the "SAFE Provisions"), which became effective on 13 May 2013. According to the SAFE Provisions, foreign investors can use cross-border Renminbi (including Renminbi inside and outside the PRC held in the capital accounts of non-PRC residents) to make a contribution to an onshore enterprise or make a payment for the transfer of an equity interest of an onshore enterprise by a PRC resident within the total investment amount approved by the competent authorities (for example, MOFCOM and/or its local counterparts as well as financial regulators). Capital account transactions in Renminbi must generally follow the current foreign exchange control regime applicable to foreign currencies.

Under current rules promulgated by SAFE, foreign debts borrowed and the foreign security provided by an onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt and foreign security regime. Furthermore, according to the *Notice concerning the Foreign Exchange Administration on Cross-Border Guarantee* (國家外匯管理局關於發布《跨境擔保外匯管理規定》的通知) and the 2013 PBOC Circular, upon enforcement of foreign security in Renminbi provided by onshore non-financial enterprises, PRC banks may provide Renminbi settlement services (i.e. remittance of enforcement proceeds) directly.

The SAFE Provisions have been promulgated to control the remittance of Renminbi for payment of transactions categorised as capital account items and will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

NDRC REGISTRATION AND REPORT IN RELATION TO FOREIGN DEBTS MANAGEMENT

On 14 September 2015, the NDRC issued the NDRC Circular, which has been replaced by the NDRC Administrative Measures published on 5 January 2023 and effective on 10 February 2023. The NDRC Administrative Measures apply to medium and long-term foreign debts with a maturity of more than one year that are borrowed from overseas by enterprises within the territory of the PRC and by overseas enterprises or branches controlled by aforementioned PRC enterprises, denominated in local or foreign currency, and of which principal is repaid with payment of interest as agreed. For the purpose of the NDRC Administrative Measures, the forms of foreign debts include but are not limited to senior bonds, perpetual bonds, capital bonds, medium-term notes, convertible bonds, exchangeable bonds, financial leasing, and commercial loans. Before borrowing any foreign debt, the NDRC Administrative Measures require that a Certificate of Review and Registration shall be obtained from the NDRC by the PRC enterprises borrowing foreign debt, and such certificate shall be valid for one year from the date of issuance and be automatically invalidated upon expiry.

Apart from the foregoing pre-issuance requirement, the NDRC Administrative Measures prescribe post-issuance filing requirements as following: (i) file with the NDRC the requisite information and documents on foreign debt within 10 PRC Business Days after each borrowing; (ii) file with the NDRC the requisite information and documents on the status of the foreign debt within 10 PRC Business Days after the expiration of the relevant Certificate of Review and Registration; and (iii) file with the NDRC the requisite information and documents on the use of proceeds raised from foreign debt, the repayment of principal with the payment of interest, plans and arrangements, and major business indicators, etc., within 5 PRC Business Days prior to the end of January and the end of July each year. In addition, in case of any major event that may affect the normal performance of debt obligations, enterprises shall promptly report and file with the NDRC the relevant information and take risk control measures to prevent the spill-over of onshore default risks and cross default risks. With respect to conduct in violation of the NDRC Administrative Measures, legal liability and consequences for enterprises borrowing foreign debt have been stipulated in the NDRC Administrative Measures. If any enterprise borrows foreign debt in violation of the NDRC Administrative Measures, the NDRC will take disciplinary actions such as holding an interview and issuing a public warning against the relevant enterprise and its principal liable person. If any application documents to apply for foreign debt approval submitted by enterprises contain any concealment, false record, misleading statement, or material omission, the NDRC will issue a warning to relevant enterprise and its principal liable person. If NDRC approval is obtained by concealment, deception, bribery, or any other improper means, such approval will be revoked. For any enterprise failing to comply with the reporting and filing requirements under the NDRC Administrative Measures, the NDRC will order such enterprise to take rectification actions within a prescribed time limit; and if the circumstances are severe or the enterprise fails to take rectification action within the prescribed time limit, give a warning to the relevant enterprise and its principal liable person. Furthermore, conducts in violation of the NDRC Administrative Measures committed by enterprises will be publicized on, among others, the Credit China website(信用中國) and the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統).

CROSS-BORDER SECURITY REGULATIONS

On 12 May 2014, the SAFE promulgated the Notice concerning the Foreign Exchange Administration on Cross-Border Guarantee (國家外匯管理局關於發布《跨境擔保外匯管理規定》的通知)and the relating implementation guidelines (collectively the "New Regulations"). The New Regulations, which came into force on 1 June 2014, replace twelve other regulations regarding cross-border security and introduce a number of significant changes, including (i) abolishing prior SAFE approval and quota requirements for cross-border security; (ii) requiring SAFE registration or filing for two specific types of cross-border security only; (iii) removing eligibility requirements for providers of cross-border security; (iv) the validity of any cross-border security agreement is no longer subject to SAFE approval, registration, filing, and any other SAFE administrative requirements; (v) removing SAFE verification requirement for performance of cross-border security. A cross-border guarantee is a form of cross-border security under the New Regulations. The New Regulations classify cross-border security into three types:

- Nei Bao Wai Dai (內保外貸) ("NBWD"): security/guarantee provided by an onshore security provider for a debt owing by an offshore debtor to an offshore creditor;

- Wai Bao Nei Dai (外保內貸) ("WBND"): security/guarantee provided by an offshore security provider for a debt owing by an onshore debtor to an onshore creditor;

- Other Types of Cross-border Security (其他形式跨境擔保): any cross-border security/guarantee other than NBWD and WBND.

In respect of NBWD, in the case where the onshore security provider is a non-financial institution, it shall register (by submitting an application document package) the relevant security/guarantee with the local branch of SAFE within 15 PRC Business Days after its execution (or 15 PRC Business Days after the date of any change to the security). The funds borrowed offshore shall not be directly or indirectly repatriated to or used onshore by means of loans, equity investments or securities investments without SAFE approval. Upon enforcement, the onshore security provider can pay to the offshore creditor directly (by effecting remittance through an onshore bank) where the NBWD has been registered with SAFE. In addition, if any onshore security provider under a NBWD provides any security or guarantee for an offshore bond issuance, the offshore issuer's equity shares must be fully or partially held directly or indirectly by an onshore entity in the PRC. Moreover, the proceeds from any such offshore bond issuance must be applied towards the offshore project(s), where an onshore entity holds equity interest, and in respect of which the related approval, registration, record, or confirmation have been obtained from or made with the competent authorities subject to PRC laws.

The Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Securities and the Trust Deed. The Guarantor's obligations in respect of the Securities and the Trust Deed are contained in the Deed of Guarantee.

The Deed of Guarantee will be executed by the Guarantor on or before the Issue Date. Under the New Regulations, the Deed of Guarantee does not require any pre-approval by SAFE and is binding and effective upon execution.

The Guarantor is required to submit the Deed of Guarantee to the Beijing Branch of SAFE for registration within 15 PRC Business Days after its execution. The SAFE registration is merely a post signing registration requirement, which is not a condition to the effectiveness of the Guarantee of the Securities.

Under the New Regulations, the Beijing Branch of SAFE will go through a procedural review (as opposed to a substantive approval process) of the Guarantor's application for registration. Upon completion of the review, the Beijing Branch of SAFE will issue a registration notice or record to the Guarantor to confirm the completion of the registration. The Guarantor has been advised by its PRC legal advisors that there are no foreseeable substantial obstacles to the completion of the registration so long as all relevant documents have been duly submitted to SAFE.

Under the New Regulations:

- non-registration does not render the Guarantee of the Securities ineffective or invalid under PRC law although SAFE may impose penalties on the Guarantor if registration is not carried out within the stipulated time frame of 15 PRC Business Days, and

- there may be logistical hurdles at the time of remittance (if any cross-border payment is to be made by the Guarantor upon enforcement under the Guarantee of the Securities) as domestic banks may require evidence of SAFE registration in order to effect such remittance, although this does not affect the validity of the Guarantee of the Securities itself.

REGULATION OF THE INFRASTRUCTURE CONSTRUCTION INDUSTRY IN THE PRC

The traditional and core business of the Group is its infrastructure construction business, and the major laws, regulations and normative documents on infrastructure construction in the PRC include:

Pursuant to the Construction Law of the People's Republic of China (中華人民共和國建築法), which was promulgated by the Standing Committee of the National People's Congress on 1 November 1997 and recently amended on 23 April 2019 and the *Law of the People's Republic of China on Tendering and Bidding* (中華人民共和國招標投標法), which was promulgated by the Standing Committee of the National People's Congress on 30 August 1999 and recently amended on 27 December 2017, the tendering and bidding process must be carried out for projects within the territory of the PRC: (1) projects concerning large-scale infrastructure, public utilities and social public interests and public security; (2) projects using all or part of state-owned funds for investment or financed by state; and (3) projects using loans or aid funds provided by international organisations or foreign governments. Tendering and bidding activities for the contracting construction works shall follow the principles of openness, fairness and equal competition to select contractors on the basis of merit.

Pursuant to the *Construction Law of the People's Republic of China and the Regulations on Administration of Qualifications of Enterprises in Construction Industry* (建築業企業資質管理規定), which was promulgated by the Ministry of Construction on 6 October 1995 and recently amended on 22 December 2018 by the Ministry of Housing and Urban-Rural Development of the PRC, construction enterprises shall apply for the qualifications for enterprises in construction industry on basis of their owned assets, staff, completed works and achievements, technical equipment and other required conditions, and may only engage in construction activities within the scope of their licenses of qualifications after obtaining the certificate of qualifications for enterprises in construction industry upon being examined to have satisfied such conditions. For example, some qualifications are licensed by the Ministry of Housing and Urban-Rural Development of the PRC, including top-level qualifications and A-level qualifications in the qualifications level of general contractors, A-level contracting professional qualifications for highways, water transport, water conservation, railway and civil aviation and B-level professional contracting qualifications for railway and civil aviation in the professional contracting qualifications level, and A-level professional contracting qualifications for several industries and specialties.

Pursuant to the *Foreign Trade Law of the People's Republic of China* (中華人民共和國對外貿易法) which was promulgated by the Standing Committee of the National People's Congress on 12 May 1994 and recently amended on 27 December 2025, the *Regulations on Administration for Contracting Foreign Projects* (對外承包工程管理條例) which was promulgated by the State Council on 21 July 2008 and recently amended on 1 March 2017, and the Measures for the Filing and Project Initiation Administration of Foreign-contracting Engineering Projects(對外承包工程項目備案及立項管理辦法) which was promulgated by the Ministry of Commerce on 11 May 2024 and enforced on 1 July 2024, China takes measures to encourage foreign trade operators to explore the international market and develop foreign trade by adopting various forms of foreign investment, foreign engineering contracting and foreign labor service cooperation. Foreign-contracted engineering projects are categorized into general projects and special projects; general projects are subject to filing with the competent commerce departments, while special projects are subject to approval for project initiation by the Ministry of Commerce in conjunction with the relevant State Council departments.

Pursuant to the *Measures for the Administration of Qualification Certificates for Foreign Labor Service Cooperation (對外勞務合作經營資格證書管理辦法), which was promulgated by the Ministry of Commerce on 2 September 2004* and the *Interim Measures for Administration of Overseas Labor Service Dispatching under Contracted Foreign Projects* (對外承包工程項下外派勞務管理暫行辦法), which was promulgated by the PRC Ministry of Commerce and enforced on 10 January 2006, enterprises shall only engage in foreign labor service cooperation upon obtaining the Qualification Certificate for Foreign Labor Service Cooperation issued by the PRC Ministry of Commerce. The general contractor (the entity which signed the overseas project contract) shall provide the labor service assigned abroad under an overseas contractual project, or it shall contract out partial project along with the labor service assigned abroad thereunder to a subcontractor with business qualifications for overseas contractual projects by concluding a subcontract.

Pursuant to the *Work Safety Law of the People's Republic of China* (中華人民共和國安全生產法), which was promulgated by the Standing Committee of the National People's Congress on 29 June 2002 and was recently amended on 10 June 2021), the *Regulations on Administration of Work Safety of Construction Projects* (建設工程安全生產管理條例), which was promulgated by the State Council on 24 November 2003), the *Regulations on Work Safety License* (安全生產許可證條例), which was promulgated by the State Council on 13 January 2004 and was recently amended on 29 July 2014 and the *Regulations on Administration of Work Safety License for Construction Enterprises* (建築施工企業安全生產許可證管理規定), which was promulgated by the Ministry of Construction on 5 July 2004 and recently amended on 22 January 2015 by the Ministry of Housing and Urban-Rural Development of the PRC, enterprises engaging in infrastructure construction may only engage in production activities upon obtaining a work safety license. Competent departments of housing and urban-rural construction under the State Council are responsible for supervising and guiding the issuance and management of work safety licenses for construction enterprises nationwide. A construction enterprise shall have relevant work safety conditions in order to obtain a work safety license, including but not limited to establishing a sound work safety responsibility system and formulating comprehensive work safety regulations and operating rules; ensuring the necessary investment funds for the enterprise work safety; setting up a work safety management institution and equipped with full-time work safety management personnel according to the relevant state regulations, etc.

ENVIRONMENTAL PROTECTION LAWS

The Ministry of Ecology and Environment of the PRC is responsible for the overall supervision and management of environmental protection in the PRC. All manufacturers in the PRC must comply with environmental laws and regulations including Ecological and Environmental Code of the PRC(中華人民共和國生態環境法典)(promulgated by the National People's Congress on 12 March 2026 and enforced on 15 August 2026) and relevant environmental regulations such as provisions regarding the treatment and disposal of pollutants and sewage, discharge of polluted fumes and the prevention of industrial pollution. Depending on the circumstances and the seriousness of the violation of the environmental regulations, the local authorities are authorised to impose various types of penalties on the persons or entities in violation of the environmental regulations. The penalties which could be imposed include the issue of warning, suspension of operation or installation and use of preventive facilities which are incomplete and fail to meet the prescribed standard, reinstallation of preventive facilities which have been dismantled or left idle, administrative sanction against office-in-charge, suspension of business operations or shut-down of the enterprise or institution. Fines could also be levied together with these penalties. The relevant local authorities may apply to the court for compulsory enforcement of environmental compliance. The persons or entities in violation of the applicable laws and regulations may also be liable to pay damages to the victims and/or result in criminal liability.

SUMMARY OF CERTAIN DIFFERENCES BETWEEN PRC GAAP AND IFRS

The Guarantor's 2026 Interim Financial Statements included in this Offering Circular were prepared and presented in accordance with PRC GAAP, whereas the Guarantor's 2024 Financial Statements and the Guarantor's 2025 Financial Statements included in this Offering Circular were prepared and presented in accordance with IFRS. PRC GAAP are substantially in line with IFRS, except for certain modifications between PRC GAAP and IFRS. The following is a general summary of certain differences between PRC GAAP and IFRS on recognition and presentation as applicable to the Guarantor. The Guarantor is responsible for preparing the summary below. Since the summary is not meant to be exhaustive, there is no assurance regarding the completeness of the financial information and related footnote disclosure between PRC GAAP and IFRS and no attempt has been made to quantify such differences. Had any such quantification or reconciliation been undertaken by the Guarantor, other potentially significant accounting and disclosure differences may have required that are not identified below. Additionally, no attempt has been made to identify possible future differences between PRC GAAP and IFRS as a result of prescribed changes in accounting standards. Regulatory bodies that promulgate PRC GAAP and IFRS have significant ongoing projects that could affect future comparisons or events that may occur in the future.

Government Grant

Under PRC GAAP, an assets-related government grant is only required to be recognised as deferred income, and evenly amortised to profit or loss over the useful life of the related asset. However, under IFRS, such assets-related government grants are allowed to be presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Under PRC GAAP, the relocation compensation for public interests is required to be recognised as special payables. The income from compensation attributable to losses of fixed assets and intangible assets, related expenses, losses from production suspension incurred during the relocation and reconstruction period and purchases of assets after the relocation are transferred from special payables to deferred income and accounted for in accordance with the government grants standard. The surplus reached after deducting the amount transferred to deferred income shall be recognised in capital reserve.

Under IFRS, if an entity relocates for reasons of public interests, the compensation received shall be recognised in profit or loss.

Reversal of an Impairment Loss

Under PRC GAAP, once an impairment loss is recognised for a long term asset (including investment property valued under the cost model, long-term equity investments, fixed assets, intangible assets and goodwill, etc.), it shall not be reversed in any subsequent period.

Under IFRS, an impairment loss recognised in prior periods for an asset other than goodwill may be reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognised.

Fixed Assets and Intangible Assets

Under PRC GAAP, only the cost model is allowed.

Under IFRS, an entity can choose either the cost model or the revaluation model as its accounting policy.

Available-for-sale Financial Assets

Under PRC GAAP, an enterprise shall measure available-for-sale financial assets at their fair values. If the available-for-sale financial assets do not have a quoted market price in an active market, and their fair value cannot be reliably measured, cost model shall be applied.

Under IFRS, available-for-sale financial assets are measured at fair value.

Safety Production Expenditures

Under PRC GAAP, pursuant to certain regulations issued by the Ministry of Finance and the State Administration of Work Safety, the safety production reserve can be utilised for improvements of safety on the construction work, and the amounts are generally expenses in nature and charged to the consolidated statement of profit or loss as incurred, and at the same time the corresponding amounts of safety production reserve fund were utilised and transferred back to retained profits until such special reserve was fully utilised.

Under IFRS, safety production expenditures are recognized in cost of sales when actually incurred. The accrued but unused safety production reserve constitutes a statutory, earmarked special reserve, which is appropriated from retained earnings and presented as "Safety Production Reserve".

TAXATION

The following summary of certain tax consequences of the purchase, ownership and disposition of the Securities is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Securities and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Securities or any person acquiring, selling or otherwise dealing in the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities.

Persons considering the purchase of the Securities should consult their own tax advisers concerning the tax consequences of the purchase, ownership and disposition of the Securities.

BVI TAXATION

The Issuer, as a BVI business company incorporated under the BVI Business Companies Act, 2004 (the "**Act**"), as amended, of the BVI, is exempt from all provisions of the Income Tax Act (as amended) of the British Virgin Islands (including with respect to all amounts of principal and premium payable in respect of the Securities and other amounts payable by the Issuer to persons who are not persons resident in the British Virgin Islands).

Capital gains realised with respect to the Securities by persons who are not persons resident in the British Virgin Islands are also exempt from all provisions of the Income Tax Act (as amended) of the British Virgin Islands.

No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not persons resident in the British Virgin Islands with respect to the Securities.

All instruments relating to transactions in respect of the Securities are exempt from payment of stamp duty in the British Virgin Islands. This assumes that the Issuer does not hold an interest in real estate in the British Virgin Islands.

PRC TAXATION

The following summary describes the principal PRC tax consequences of ownership of the Securities by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as non PRC Holders in this section. In considering whether to invest in the Securities, investors should consult their individual tax advisors with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction. Reference is made to PRC taxes from the taxable year beginning on or after 1 January 2008.

Enterprise Income Tax

Pursuant to the EIT Law and its implementation regulations, enterprises that are established under laws of foreign countries and regions (including Hong Kong, Macau and Taiwan) but whose "de facto management bodies" are within the territory of China shall be PRC tax resident enterprises for the purpose of the EIT Law and they shall pay EIT at the rate of 25 per cent. in respect of their income sourced from both within and outside China. If relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the "de facto management body" of the Issuer is within the territory of the PRC, the Issuer may be held to be a PRC tax resident enterprise for the purpose of the EIT Law and be subject to EIT at the rate of 25 per cent. for its income sourced from both within and outside PRC. As confirmed by the Issuer, as at the date of this Offering Circular, the Issuer has not been notified or informed by the PRC tax authorities that it is considered as a PRC tax resident enterprise for the purpose of the EIT Law. On that basis, the risk of PRC withholding tax arising from the Issuer's status as a PRC tax resident enterprise in respect of payments under the Securities would not apply.

However, there is no assurance that the Issuer will not be treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future. Pursuant to the EIT Law and its implementation regulations, any non-resident enterprise without establishment within the PRC or whose income has no actual connection to its establishment inside the PRC shall pay EIT at the rate of 10 per cent. on the income sourced inside the PRC, unless a preferential rate is provided by tax treaties or arrangements entered into between the country or region where the non-resident is established and the PRC, and such income tax shall be withheld by sources with the PRC payer acting as the obligatory withholder, who shall withhold the tax amount from each payment or payment due. Accordingly, in the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, the Issuer shall withhold income tax from the payments of interest in respect of the Securities for any non PRC resident enterprise Holder. However, despite the potential withholding of PRC tax by the Issuer, the Issuer has agreed to pay additional amounts to holders of the Securities so that holders of the Securities would receive the full amount of the scheduled payment, as further set out in the Terms and Conditions. Such contractual gross-up obligation, however, cannot alter statutory tax liability under PRC tax law.

In addition, in the event that the Guarantor is required to discharge its obligations under the Guarantee of the Securities, the Guarantor generally will be obliged to withhold PRC EIT at the rate up to 10 per cent. on the payments of interest made by it under the Guarantee of the Securities to non PRC resident enterprise Holders as such payments of interest will be regarded as being derived from sources within the PRC. To the extent that the PRC has entered into arrangements relating to the avoidance of double taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified non PRC resident enterprise Holders. Repayment of the principal will not be subject to PRC withholding tax.

Non PRC Holders will generally not be subject to the PRC tax on any capital gains derived from a sale or exchange of the Securities consummated outside mainland China between non PRC Holders, except however, if the Issuer is treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future, any gain realised by the non PRC enterprise Holders from the transfer of the Securities may be regarded as being derived from sources within the PRC and accordingly would be subject to up to 10 per cent. of PRC withholding tax.

VAT

On 25 December 2024, the National People's Congress issued the Value-added Tax Law of the PRC, effective from 1 January 2026 (the "**New VAT Law**"). Under the New VAT Law, VAT applies to services provided within the PRC, including financial services where the seller is located within the PRC or the services are consumed within the PRC (including services provided to PRC entities or individuals by non-PRC entities or individuals). While VAT is unlikely to be applicable to any transfer of Securities between entities or individuals located outside of the PRC and, accordingly, unlikely to be applicable to gains realised upon such transfers of Securities, a PRC VAT at the rate of 6% may be imposed by the PRC tax authorities on the amount of the interest payable by the Issuer or the Guarantor, as the case may be, to the Non PRC Holders, if the issuance of Securities and payments of interest and other amounts are treated as providing financing services within the PRC by the PRC tax authorities.

Additionally, Holders are located outside of the PRC, the Issuer or the Guarantor, thus acting as the withholding agent in accordance with applicable law, may be required in such instance to withhold VAT from the payment of interest income to Holders.

However, since the New VAT Law and its related implementing regulations are relatively new, their interpretation and enforcement involve uncertainties. Thus, there is no assurance that the issuance of Securities and payments of interests and other amounts are treated as providing financing services within the PRC and as a result be required to withhold VAT (should such tax apply) from the payments of interest in respect of the Securities for any Holders located outside of the PRC. Further, if any new PRC tax regulations or their related implementing regulations are promulgated in the future that impose or restrict, as the case may be, any obligation on the Issuer or the Guarantor to withhold VAT on payments of interest and certain other amounts under the Securities to the Non PRC Holders, any such VAT withholding shall be subject to the specific requirements or restrictions set forth in such new rules.

Stamp Duty

No PRC stamp duty will be chargeable upon the issue or transfer (for so long as the register of Holders is maintained outside the PRC) of a Security.

HONG KONG TAXATION

Withholding Tax

Under existing Hong Kong law, no withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Securities or in respect of any capital gains arising from the sale of the Securities.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "IRO"), as it is currently applied in the Inland Revenue Department, interest on the Securities may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(i) interest on the Securities is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;

(ii) interest on the Securities is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;

(iii) interest on the Securities is received by or accrues to a financial institution (as defined in the IRO) and arises through or from the carrying on by the financial institution of its business in Hong Kong, notwithstanding that the moneys in respect of which the interest is received or accrues are made available outside Hong Kong; or

(iv) interest on the Securities is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO), even if the moneys in respect of which the interest is received or accrues are made available outside Hong Kong.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Securities will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Securities will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Securities will be subject to Hong Kong profits tax where received by or accrued to a person, other than a corporation, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Securities are acquired or disposed of.

In addition, with effect from 1 January 2024, pursuant to various foreign-sourced income exemption legislation in Hong Kong (the "**FSIE Amendments**"), certain specified foreign-sourced income (including interest, dividend, disposal gain or intellectual property income, in each case, arising in or derived from a territory outside Hong Kong)accrued to an MNE entity (as defined in the FSIE Amendments) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The FSIE Amendments also provide for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of the Securities.

THE PROPOSED FINANCIAL TRANSACTIONS TAX (THE "FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances. The issuance and subscription of Securities should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Issuer and the Guarantor have entered into a subscription agreement with Huatai Financial Holdings (Hong Kong) Limited, ICBC International Securities Limited, Guotai Junan Securities (Hong Kong) Limited, ABCI Capital Limited, China Securities (International) Corporate Finance Company Limited, Haitong International Securities Company Limited, CLSA Limited, China International Capital Corporation Hong Kong Securities Limited, CCB International Capital Limited, DBS Bank Ltd., CMB International Capital Limited, CNCB (Hong Kong) Capital Limited and China CITIC Bank International Limited (each as a "**Joint Lead Manager**") dated 22 October 2026 (the "**Subscription Agreement**"), pursuant to which and subject to certain conditions contained therein, the Issuer and the Guarantor have jointly and severally agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have severally and not jointly agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Securities at an issue price of 100.00 per cent. of their principal amount as set forth opposite their names in the following table below.

	Principal Amount of the Securities
	(CNY)
Huatai Financial Holdings (Hong Kong) Limited	430,000,000
ICBC International Securities Limited	430,000,000
Guotai Junan Securities (Hong Kong) Limited	430,000,000
ABCI Capital Limited	430,000,000
China Securities (International) Corporate Finance Company Limited	430,000,000
Haitong International Securities Company Limited	430,000,000
CLSA Limited	110,000,000
China International Capital Corporation Hong Kong Securities Limited	110,000,000
CCB International Capital Limited	110,000,000
DBS Bank Ltd.	110,000,000
CMB International Capital Limited	110,000,000
CNCB (Hong Kong) Capital Limited	110,000,000
China CITIC Bank International Limited	110,000,000
Total	3,350,000,000

The Issuer and the Guarantor have jointly and severally agreed with the Joint Lead Managers in the Subscription Agreement that, for a period of 30 days after the Closing Date, none of the Issuer, the Guarantor nor any of their respective subsidiaries shall, without the prior written consent of the Joint Lead Managers (such consent not to be unreasonably withheld), make any announcements of, or any issue or offer of debt or similar hybrid securities (other than the Securities) outside the PRC to the public or through a private placement or otherwise in connection with which the Issuer, the Guarantor or any member of the Group is the borrower, debtor, issuer, guarantor, obligor or provider of credit enhancement, directly or on their behalf. Each of the Issuer and the Guarantor has jointly and severally represented and warranted that, as at the date of this Offering Circular and during the 30-day period referred to above, it has not mandated and will not mandate any other party to arrange any issue or offering of debt or similar hybrid securities (other than the Securities) outside the PRC in connection with which it is the borrower, debtor, issuer, guarantor, obligor or provider of credit enhancement.

The Subscription Agreement provides that the Issuer and the Guarantor will jointly and severally indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Securities. The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent, and entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

The Joint Lead Managers and certain of their subsidiaries or affiliates may have performed certain investment banking and advisory services for, and entered into certain commercial banking transactions with the Issuer, the Guarantor or any member of the Group and/or their respective subsidiaries and affiliates, from time to time, for which they have received customary fees and expenses. The Joint Lead Managers and their subsidiaries or affiliates may, from time to time, engage in transactions with and perform services for the Issuer, the Guarantor or any member of the Group and/or their respective subsidiaries and affiliates in the ordinary course of their business.

The Joint Lead Managers or their respective affiliates may purchase the Securities for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Securities and/or other securities of the Issuer or the Guarantor or their respective subsidiaries or associates at the same time as the offer and sale of the Securities or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Securities to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Securities).

No action has been or will be taken that would, or is intended to, permit a public offering of the Securities, or the possession or distribution of this Offering Circular or any amendment or supplement thereto or any offering or publicity material relating to the Securities, in any country or jurisdiction where action for that purpose is required.

The distribution of this Offering Circular, or any offering material, and the offering, sale or delivery of the Securities is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular, or any offering material, are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to CMIs (including private banks):

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OC(s) for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the Guarantor, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Securities. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer, the Guarantor, or any CMI (including its group companies) and inform the Joint Lead Managers accordingly.

CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Securities (except for omnibus orders where underlying investor information may need to be provided to any OC(s) when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer or the Guarantor. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Securities.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Joint Lead Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Securities, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Joint Lead Manager(s) (if any) to categorise it as a proprietary order and to apply the "proprietary orders requirements" of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information, in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to: projectoc26@htsc.com, project_oc26@icbci.com and dcm.ig@gtjas.com.hk.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OC(s); (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OC(s). By submitting an order and providing such information to any OC(s), each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OC(s) and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Joint Lead Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Joint Lead Manager(s) with such evidence within the timeline requested.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Joint Lead Managers that it is not a Sanctions Restricted Person. A "Sanctions Restricted Person" means an individual or entity (a "**Person**"): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/sdnlist.pdf) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/fse/fselist.pdf) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: https://data.europa.eu/data/datasets/consolidatedlist-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of the following (i) – (vi) to the extent that it will not result in violation of any sanctions by the CMIs: (i) their inclusion in the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at: https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf) (the "**SSI List**"), (ii) their inclusion in Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the "**EU Annexes**"), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the U.S. Department of Commerce's Bureau of Industry and Security ("BIS") under which BIS has restricted exports, re-exports or transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of 3 June 2021 entitled "Addressing the Threat from Securities Investments that Finance Certain Companies of the People's Republic of China" (known as the Non-SDN Chinese Military- Industrial Complex Companies List), which amends the Executive Order 13959 of 12 November 2020 entitled "Addressing the threat from Securities Investments that Finance Chinese Military Companies"; or (vi) them being subject to restrictions imposed on the operation of an online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of U.S. persons; or (c) that is located, organized or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, the Donetsk People's Republic or Luhansk People's Republic. "Sanctions Authority" means: (a) the United Nations; (b) the United States; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) the People's Republic of China; (f) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (g) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury.

SELLING RESTRICTIONS TO THE OFFERING

General

Each Joint Lead Manager has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Securities or possesses, distributes this Offering Circular or any other offering material relating to the Securities. Persons into whose hands this Offering Circular comes are required by the Issuer, the Guarantor and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Securities or possess, distribute or publish this Offering Circular or any other offering material relating to the Securities, in all cases at their own expense.

Accordingly, the Securities should not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material, circular, prospectus, form of application or advertisement in connection with the Securities should be distributed or published in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not, save as disclosed in this Offering Circular, impose any obligations on the Issuer, the Guarantor or the Joint Lead Managers.

If a jurisdiction requires that the offering of the Securities be made by a licensed broker or dealer and a Joint Lead Manager or any affiliate of that Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering of the Securities shall be deemed to be made by that Joint Lead Manager or its affiliate on behalf of the Issuer in such jurisdiction.

United States

The Securities and the Guarantee of the Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each Joint Lead Manager has represented, warranted and undertaken that (i) it has not offered or sold, and will not offer or sell, any Securities or Guarantee: (A) as part of their distribution, at any time; and (B) otherwise, until 40 days after the completion of the distribution of Securities, only in accordance with Rule 903 of Regulation S under the Securities Act; (ii) neither it nor any of its affiliates (including any person acting on behalf of the Joint Lead Manager or any of its affiliates) has engaged or will engage in any directed selling efforts (as defined in Regulation S under the Securities Act) with respect to the Securities and the Guarantee; (iii) it and its affiliates have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act; and (iv) at or prior to confirmation of sale of the Securities, it will have sent to each distributor, manager or person receiving a selling concession, fee or other remuneration which purchases Securities from it during the distribution compliance period a confirmation or notice in substantially the following form: "The securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of Securities, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S under the Securities Act".

Terms used in the paragraph above have the meanings given to them by Regulation S under the Securities Act.

Only persons to whom this Offering Circular may lawfully be distributed in accordance with Regulation S and other applicable laws are eligible to receive it. Recipients of this Offering Circular are reminded to ensure that they are not engaging in a prohibited transaction under the Executive Order and associated subsequent guidance or the CMIC Sanctions Regulation. Each offeree of the Securities, by accepting delivery of this Offering Circular, agrees to the foregoing and is deemed to have represented to the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or their respective affiliates, directors, officers, employees, representatives and agents that (i) such offeree and any customers it represents are not (a) a U.S. Person as defined in the Executive Order or the CMIC Sanctions Regulation as any "United States citizen, permanent resident alien, entity organised under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States", or a U.S. Person as defined in the Securities Act or (b) engaging the Joint Lead Managers, the Trustee or any Agent to enter into any transactions for or on behalf of any Regulation S U.S. Person and (ii) the acquisition, holding and disposition of the Securities by such offeree and any customer it represents, and each transaction that any Joint Lead Manager or any of its subsidiaries/affiliates enters into with such offeree or any customer it represents, any of their respective

subsidiaries/affiliates, any of their respective parent companies or any of their subsidiaries/affiliates which relates to this Offering Circular or any Security, will not violate the Executive Order or the CMIC Sanctions Regulations.

United Kingdom

Each of the Joint Lead Managers has represented, warranted and undertaken that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**") received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, MiFID II); or

(b) a customer within the meaning of Directive (EU) 2016/97 (the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Securities which are the subject of the offering contemplated by this Offering Circular in relation thereto to any retail investor in the United Kingdom. For these purposes:

(a) the expression "**retail investor**" means a person who is either one (or both) of the following:

  (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

  (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024;

(b) and the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

Hong Kong

Each of the Joint Lead Managers has represented, warranted and undertaken that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) ("**SFO**") and any rules made under the SFO, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32 of the Laws of Hong Kong) (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

The People's Republic of China

Each Joint Lead Manager has represented, warranted and undertaken that the Securities are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People's Republic of China.

Singapore

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "**FIEA**"). Accordingly, each Joint Lead Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Securities in Japan or to, or for the benefit of, a resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws, regulations and ministerial guidelines of Japan.

British Virgin Islands

Each Joint Lead Manager has represented, warranted and agreed that it has not made and will not make any invitation to the public in the British Virgin Islands or a natural person who is a British Virgin Islands resident or citizen to purchase or subscribe to the Securities and the Securities are not being offered or sold and may not be offered or sold, directly or indirectly, in the British Virgin Islands, except as otherwise permitted by British Virgin Islands law. This Offering Circular does not constitute, and there will not be, an offering of the Securities to any person in the British Virgin Islands.

GENERAL INFORMATION

1. **Clearing Systems**. The Securities have been accepted for clearance through the CMU for the Securities under CMU Instrument Number BOAKFB26057, Common Code number 354213001 and the International Securities Identification Number ("**ISIN**") HK0001366670.

2. **Legal Entity Identifier**. The Legal Entity Identifier code of the Issuer is 222100QYJA4A1WYR6697.

3. **Authorisations**. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue of and performance of its obligations under the Securities, the Trust Deed and the Agency Agreement. The issue of the Securities was authorised by a resolution of the sole director of the Issuer passed on 17 June 2026. The Guarantor has obtained all consents, approvals and authorisations in connection with the giving of the Guarantee of the Securities and the performance of its obligations under the Trust Deed and the Agency Agreement. The giving of the Guarantee of the Securities was approved by the board of the Guarantor on 29 April 2026 and by the shareholders' meeting of the Guarantor on 18 June 2026.

4. **No Material Adverse Change**. Except as disclosed in this Offering Circular, there has been no material adverse change since 30 June 2026 (in the case of the Guarantor) or the date of incorporation (in the case of the Issuer), in the condition (financial or otherwise), financial or trading position, prospects or results of operations of the Issuer, the Guarantor or the Group.

5. **Litigation**. From time to time, the Issuer, Guarantor and other members of the Group may be involved in litigation or other disputes that arise in the ordinary course of business. Save as disclosed in this Offering Circular, the Group is not involved in any legal proceedings, claims or disputes currently existing or pending against the Group that may have a material adverse effect on the Group's business or financial condition or are material in the context of the issue and offering of the Securities as at the date of this Offering Circular.

6. **Listing of Securities**. Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Securities on the Hong Kong Stock Exchange by way of debt issues to Professional Investors only and it is expected that the listing of, and permission to deal in, the Securities on the Hong Kong Stock Exchange will commence on 30 October 2026.

7. **Available Documents**. Copies of (i) the Articles of Association of the Issuer and the Guarantor and (ii) the audited consolidated financial statements of the Guarantor as at and for the years ended 31 December 2024 and 2025, and (iii) the unaudited but reviewed consolidated financial statements of the Guarantor as at and for the six months ended 30 June 2026 may be obtained during normal business hours at the office of the Guarantor in Hong Kong at Room 2805, 28/F, Convention Plaza Office Tower, 1 Harbour Road, Wanchai, Hong Kong, China. As long as any of the Securities are outstanding, copies of the following documents will be available for inspection during normal business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time), from Monday to Friday (excluding public holidays)) with reasonable prior written notification and satisfactory proof of holding and identity at the specified office of the CMU Lodging and Paying Agent, being at the date hereof, 3/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong.

   - the Deed of Guarantee;
   - the Agency Agreement; and
   - the Trust Deed.

8. **Independent Auditors**. The Guarantor's consolidated financial statements as at and for the years ended 31 December 2024 and 2025, which are included elsewhere in this Offering Circular, have been prepared and presented in accordance with IFRS, and have been audited by EY, the independent auditors of the Guarantor, and the unaudited but reviewed consolidated financial statements of the Guarantor as at and for the six months ended 30 June 2026, which are included elsewhere in this Offering Circular, have been prepared and presented in accordance with PRC GAAP, and have been reviewed by KPMG, the independent auditors of the Guarantor, as stated in its reports appearing herein.

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REVIEW REPORT

KPMG Huazhen Zhuan Zi No. 2604190

To the Board of Directors of China Communications Construction Company Limited:

We have reviewed the accompanying interim financial statements of China Communications Construction Company Limited ("CCCC"), which comprised the consolidated and the parent's balance sheet as at 30 June 2026, the consolidated and the parent's income statement, the consolidated and the parent's cash flow statement and the consolidated and the parent's statement of changes in shareholders' equity for the six months then ended, and notes to the financial statements (collectively, the "Interim Financial Statements"). The preparation of the Interim Financial Statements in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China (the "Accounting Standards for Business Enterprises") is the responsibility of the management of CCCC. Our responsibility is to deliver a report on review of these Interim Financial Statements based on our review.

We conducted our review in accordance with China Certified Public Accountant Review Standard No. 2101 – Review of Financial Statements. This Standard requires us to plan and perform the review to obtain limited assurance about whether the Interim Financial Statements are free from material misstatements. A review is limited primarily to procedures as enquiry of CCCC's relevant personnel and analytical review procedures applied to the financial information and thus provides less assurance than an audit. We have not performed an audit, and therefore we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned Interim Financial Statements of CCCC have not been prepared in accordance with the requirements of the Accounting Standards for Business Enterprises, so as not to present fairly, in all material respects, the consolidated and the parent's financial position of CCCC as at 30 June 2026, and its consolidated and the parent's operating results and cash flows for the six months then ended.

KPMG Huazhen LLP

Chinese Certified Public Accountant

CHEN Yuhong (Engagement Partner)

Beijing, China

DUAN Yuhua

27 August 2026

China Communications Construction Company Limited
CONSOLIDATED BALANCE SHEET
30 June 2026
(Unit: RMB)

Assets	Note V	30 June 2026 (Unaudited)	31 December 2025
Current assets			
Cash and bank balances	1	188,300,200,957	151,056,340,289
Financial assets held for trading	2	1,436,342,558	633,485,932
Derivative financial assets	3	92,909,525	13,282,153
Bills receivable	4	1,343,957,296	1,846,722,287
Accounts receivable	5	157,818,523,937	157,728,815,136
Receivables financing	6	1,118,975,709	1,090,608,571
Prepayments	7	26,432,732,570	20,505,125,708
Other receivables	8	51,983,537,427	49,182,334,905
Inventories	9	121,174,570,388	114,704,691,943
Contract assets	10	263,103,018,701	243,492,606,354
Non-current assets due within one year		106,392,990,364	100,567,168,998
Other current assets	11	37,096,355,490	29,119,800,056
Total current assets		**956,294,114,922**	**869,940,982,332**
Non-current assets			
Debt investments	12	1,118,139,727	540,922,439
Long-term receivables	13	298,490,141,127	275,367,986,098
Long-term equity investments	14	107,669,842,575	109,336,075,965
Other equity instrument investments	15	25,074,793,697	26,950,616,165
Other non-current financial assets	16	27,763,031,276	27,378,150,337
Investment properties	17	13,265,786,561	11,892,689,603
Fixed assets	18	62,729,144,726	65,071,759,598
Construction in progress	19	15,860,118,756	14,341,237,230
Right-of-use assets	20	4,137,112,734	4,239,478,976
Intangible assets	21	263,928,545,185	237,251,432,243
Development expenses	22	361,248,048	331,602,404
Goodwill	23	5,495,819,893	5,504,471,594
Long-term deferred expenses		1,669,638,855	1,699,687,775
Deferred income tax assets	24	13,130,199,520	12,824,240,573
Other non-current assets	25	378,017,669,637	356,460,362,358
Total non-current assets		**1,218,711,232,317**	**1,149,190,713,358**
Total assets		**2,175,005,347,239**	**2,019,131,695,690**

The accompanying notes to the financial statements form part of these financial statements.

China Communications Construction Company Limited
CONSOLIDATED BALANCE SHEET (CONTINUED)
30 June 2026
(Unit: RMB)

Liabilities and shareholders' equity	Note V	30 June 2026	31 December 2025
		(Unaudited)	
Current liabilities			
Short-term borrowings	27	162,087,073,327	106,407,901,960
Derivative financial liabilities	28	31,304,888	34,336,875
Bills payable	29	30,079,889,351	26,251,326,054
Accounts payable	30	404,024,301,381	418,863,591,631
Contract liabilities	31	103,363,667,095	102,565,879,286
Accrued payroll	32	2,498,955,884	2,513,421,342
Taxes and surcharges payable	33	9,612,458,188	12,547,739,374
Other payables	34	148,801,851,559	140,401,658,278
Non-current liabilities due within one year	35	113,642,064,633	109,529,611,559
Other current liabilities	36	89,498,808,093	53,555,633,617
Total current liabilities		**1,063,640,374,399**	**972,671,099,976**
Non-current liabilities			
Long-term borrowings	37	466,516,925,275	425,291,657,983
Bonds payable	38	66,447,743,786	58,750,510,346
Lease liabilities	39	3,202,460,382	3,159,835,890
Long-term payables	40	78,207,568,146	76,014,544,078
Long-term accrued payroll	41	699,620,446	744,242,782
Estimated liabilities	42	4,355,189,935	4,302,486,255
Deferred income	43	1,241,141,416	1,184,322,733
Deferred income tax liabilities	24	8,103,850,282	8,067,668,784
Other non-current liabilities	44	1,213,343,592	1,058,391,210
Total non-current liabilities		**629,987,843,260**	**578,573,660,061**
Total liabilities		**1,693,628,217,659**	**1,551,244,760,037**

The accompanying notes to the financial statements form part of these financial statements.

China Communications Construction Company Limited
CONSOLIDATED BALANCE SHEET (CONTINUED)
30 June 2026
(Unit: RMB)

Liabilities and shareholders' equity (Continued)	Note V	30 June 2026 (Unaudited)	31 December 2025
Shareholders' equity			
Share capital	45	16,213,786,279	16,274,644,225
Other equity instruments	46	22,200,000,000	22,200,000,000
Including: Perpetual bonds		22,200,000,000	22,200,000,000
Capital reserves	47	34,695,769,786	35,141,403,357
Less: Treasury shares	48	383,172,602	667,260,069
Other comprehensive income	49	9,413,079,647	12,740,251,663
Special reserves	50	5,778,515,997	5,565,092,159
Surplus reserves	51	14,542,579,926	14,542,579,926
Provision for general risks		1,928,020,149	1,332,658,769
Undistributed profit	52	209,088,251,800	203,796,639,741
Total shareholders' equity attributable to the parent company		313,476,830,982	310,926,009,771
Minority interest		167,900,298,598	156,960,925,882
Total shareholders' equity		**481,377,129,580**	**467,886,935,653**
Total liabilities and shareholders' equity		**2,175,005,347,239**	**2,019,131,695,690**

These financial statements have been signed by:

Legal representative	Person-in-charge of accounting	Head of accounting department
SONG Hailiang	LIU Zhengchang	ZHANG Huafang

The accompanying notes to the financial statements form part of these financial statements.

China Communications Construction Company Limited
CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2026
(Unit: RMB)

	Note V	For the six months ended 30 June 2026	For the six months ended 30 June 2025
		(Unaudited)	(Unaudited)
Revenue from operations	53	333,159,728,019	337,054,630,510
Less: Cost of operations	53	300,329,006,065	301,179,392,370
Taxes and surcharges	54	1,101,400,637	1,073,852,641
Selling expenses	55	1,666,054,205	1,390,547,393
Administrative expenses	56	7,368,672,344	7,612,024,847
Research and development expenses	57	8,119,378,033	8,823,526,886
Finance costs	58	1,100,978,189	(1,164,654,411)
Including: Interest expenses		10,976,727,838	9,968,501,442
Interest income		12,290,625,344	11,224,188,172
Add: Other income	59	178,619,599	178,370,549
Investment income	60	1,223,952,195	375,559,662
Including: Investment loss from associates and joint ventures		(133,610,093)	(728,141,456)
Loss arising from derecognition of financial assets measured at amortised cost		(237,785,684)	(497,773,818)
Losses from fair value changes	61	(229,833,772)	(378,128,236)
Credit losses	62	(2,060,780,946)	(1,915,972,699)
Impairment losses	63	(282,998,716)	(481,956,721)
Gains from assets disposal	64	121,409,914	48,154,611
Operating profit		12,424,606,820	15,965,967,950
Add: Non-operating income	65	159,053,357	378,436,073
Less: Non-operating expenses	66	143,827,473	141,540,073
Total profit		12,439,832,704	16,202,863,950
Less: Income tax expenses	68	2,885,984,728	3,335,761,615
Net profit		9,553,847,976	12,867,102,335
Including: Net profit of entity being absorbed before a business combination involving entities under common control		–	–
Classified by continuity of operations			
Net profit from continuing operations		9,553,847,976	12,867,102,335
Classified by ownership of equity			
Net profit attributable to shareholders of the Company		7,276,820,750	9,568,353,540
Non-controlling interests		2,277,027,226	3,298,748,795

The accompanying notes to the financial statements form part of these financial statements.

China Communications Construction Company Limited
CONSOLIDATED INCOME STATEMENT (CONTINUED)
For the six months ended 30 June 2026
(Unit: RMB)

	Note V	For the six months ended 30 June 2026	For the six months ended 30 June 2025
		(Unaudited)	(Unaudited)
Other comprehensive (loss)/income, net of tax		**(3,361,244,515)**	**1,841,673,774**
Other comprehensive (loss)/income attributable to shareholders of the Company, net of tax	49	(3,333,273,993)	1,823,611,505
Other comprehensive (loss)/income that will not be reclassified to profit and loss			
Remeasurement of changes in defined benefit plans		–	769,592
Other comprehensive (loss)/income that cannot be transferred to profit and loss under equity method		(11,462,507)	45,708,102
Fair value changes of investment in other equity instruments		(1,654,631,070)	1,857,499,446
		(1,666,093,577)	1,903,977,140
Other comprehensive loss that will be reclassified to profit and loss			
Other comprehensive loss that may be transferred to profit and loss under equity method		(70,150,186)	(31,075,871)
Cash flow hedge reserve		(11,575,592)	(20,468,660)
Provision for credit losses on other debt investments		41,139,776	–
Exchange differences arising from retranslation of financial statements denominated in foreign currencies		(1,626,594,414)	(28,821,104)
		(1,667,180,416)	(80,365,635)
Other comprehensive (loss)/income attributable to non-controlling interests, net of tax	49	(27,970,522)	18,062,269
Total comprehensive income		**6,192,603,461**	**14,708,776,109**
Including:			
Total comprehensive income attributable to shareholders of the Company		3,943,546,757	11,391,965,045
Total comprehensive income attributable to non-controlling interests		2,249,056,704	3,316,811,064
Earnings per share	69		
Basic earnings per share		0.43	0.56
Diluted earnings per share		0.43	0.56

The accompanying notes to the financial statements form part of these financial statements.

China Communications Construction Company Limited
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the six months ended 30 June 2026
(Unit: RMB)

	Attributable to shareholders of the parent company											
	Share capital	Other equity instruments	Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Provision for general risks	Undistributed profit	Sub-total	Minority interest	Total shareholders' equity
I. Balance at the end of the previous period and at the beginning of the current period	16,274,644,225	22,200,000,000	35,141,403,357	667,260,069	12,740,251,663	5,565,092,159	14,542,579,926	1,332,658,769	203,796,639,741	310,926,009,771	156,960,925,882	467,886,935,653
II. Changes for the period												
(I) Total comprehensive income												
1. Net profit	-	-	-	-	-	-	-	-	7,276,820,750	7,276,820,750	2,277,027,226	9,553,847,976
2. Other comprehensive income	-	-	-	-	(3,333,273,993)	-	-	-	-	(3,333,273,993)	(27,970,522)	(3,361,244,515)
(II) Capital contribution and reductions by shareholders												
1. Contributions of ordinary shares by shareholders	-	-	-	-	-	-	-	-	-	-	1,015,024,814	1,015,024,814
2. Reductions of ordinary shares by shareholders	(60,857,946)	-	(439,142,267)	(500,000,213)	-	-	-	-	-	-	(33,663,367)	(33,663,367)
3. Capital contributions by holders of other equity instruments	-	-	(1,001,553)	-	-	-	-	-	-	(1,001,553)	12,970,000,000	12,968,998,447
4. Capital reductions by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	(6,170,000,000)	(6,170,000,000)
5. Equity transactions with minority shareholders	-	-	(7,825,629)	-	-	-	-	-	-	(7,825,629)	-	(7,825,629)
6. Disposal of subsidiaries (Note VII. 1)	-	-	-	-	-	-	-	-	-	-	(45,000,000)	(45,000,000)
7. Acquisition of assets	-	-	-	-	-	-	-	-	-	-	1,266,169,026	1,266,169,026
8. Repurchase of shares	-	-	-	242,699,374	-	-	-	-	-	(242,699,374)	-	(242,699,374)
9. Share-based payments - Vesting of restricted shares	-	-	-	(26,786,628)	-	-	-	-	-	26,786,628	-	26,786,628
10. Share-based payment expense (Note XIII)	-	-	1,025,506	-	-	-	-	-	-	1,025,506	-	1,025,506
11. Other	-	-	1,310,372	-	-	-	-	-	-	1,310,372	-	1,310,372
(III) Profit distribution												
1. Provision for general risks	-	-	-	-	-	-	-	595,361,380	(595,361,380)	-	-	-
2. Distributions to shareholders	-	-	-	-	-	-	-	-	(1,257,895,334)	(1,257,895,334)	(204,129,618)	(1,462,024,952)
3. Interest on perpetual bonds	-	-	-	-	-	-	-	-	(125,850,000)	(125,850,000)	(105,179,145)	(231,029,145)
(IV) Special reserves												
1. Increase in the current period	-	-	-	-	-	5,174,101,998	-	-	-	5,174,101,998	36,503,767	5,210,605,765
2. Use in the current period	-	-	-	-	-	(4,960,678,160)	-	-	-	(4,960,678,160)	(39,409,465)	(5,000,087,625)
(V) Transfers within shareholders' equity												
1. Transfer of other comprehensive income for retained earnings	-	-	-	-	6,101,977	-	-	-	(6,101,977)	-	-	-
III. Balance at end of the period	**16,213,786,279**	**22,200,000,000**	**34,695,769,786**	**383,172,602**	**9,413,079,647**	**5,778,515,997**	**14,542,579,926**	**1,928,020,149**	**209,088,251,800**	**313,476,830,982**	**167,900,298,598**	**481,377,129,580**

The accompanying notes to the financial statements form part of these financial statements.

China Communications Construction Company Limited
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
For the six months ended 30 June 2026
(Unit: RMB)

	Attributable to shareholders of the parent company											
	Share capital	Other equity instruments	Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Provision for general risks	Undistributed profit	Sub-total	Minority interest	Total shareholders' equity
I. Balance at the end of the previous period and at the beginning of the current period	16,278,611,425	31,000,000,000	39,010,457,462	597,315,500	13,075,594,417	5,321,288,424	12,764,782,884	1,423,336,348	195,148,570,841	313,425,326,301	154,389,664,764	467,814,991,065
II. Changes for the period												
(I) Total comprehensive income												
1. Net profit	-	-	-	-	-	-	-	-	9,568,353,540	9,568,353,540	3,298,748,795	12,867,102,335
2. Other comprehensive income	-	-	-	-	1,823,611,505	-	-	-	-	1,823,611,505	18,062,269	1,841,673,774
(II) Capital contribution and reductions by shareholders												
1. Contributions of ordinary shares by shareholders	-	-	-	-	-	-	-	-	-	-	515,857,719	515,857,719
2. Reductions of ordinary shares by shareholders	-	-	-	-	-	-	-	-	-	-	(2,028,021,837)	(2,028,021,837)
3. Capital contributions by holders of other equity instruments	-	5,000,000,000	(1,415,782)	-	-	-	-	-	-	4,998,584,218	21,900,000,000	26,898,584,218
4. Capital reductions by holders of other equity instruments	-	(5,000,000,000)	-	-	-	-	-	-	-	(5,000,000,000)	(11,600,000,000)	(16,600,000,000)
5. Equity transactions with minority shareholders	-	-	(105,415,911)	-	-	-	-	-	-	(105,415,911)	-	(105,415,911)
6. Disposal of subsidiaries (Note VII. 1)	-	-	-	-	-	-	-	-	-	-	(1,210,650,046)	(1,210,650,046)
7. Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	499,969	499,969
8. Share-based payments - Obligation to repurchase restricted shares	-	-	-	(166,305,594)	-	-	-	-	-	166,305,594	-	166,305,594
9. Share-based payment expense (Note XIII)	-	-	110,075,533	-	-	-	-	-	-	110,075,533	-	110,075,533
10. Other	-	-	4,663,468	-	-	-	-	-	-	4,663,468	-	4,663,468
(III) Profit distribution												
1. Provision for general risks	-	-	-	-	-	-	-	376,488	(376,488)	-	-	-
2. Distributions to shareholders	-	-	-	-	-	-	-	-	(2,630,786,392)	(2,630,786,392)	(685,875,246)	(3,316,661,638)
3. Interest on perpetual bonds	-	-	-	-	-	-	-	-	(591,600,000)	(591,600,000)	(179,247,466)	(770,847,466)
(IV) Special reserves												
1. Increase in the current period	-	-	-	-	-	5,191,734,085	-	-	-	5,191,734,085	30,861,441	5,222,595,526
2. Use in the current period	-	-	-	-	-	(4,770,249,279)	-	-	-	(4,770,249,279)	(16,836,776)	(4,787,086,055)
(V) Transfers within shareholders' equity												
1. Transfer of other comprehensive income for retained earnings	-	-	-	-	(841,500)	-	-	-	630,704	(210,796)	210,796	-
III. Balance at end of the period	**16,278,611,425**	**31,000,000,000**	**39,018,364,770**	**431,009,906**	**14,898,364,422**	**5,742,773,230**	**12,764,782,884**	**1,423,712,836**	**201,494,792,205**	**322,190,391,866**	**164,433,274,382**	**486,623,666,248**

The accompanying notes to the financial statements form part of these financial statements.

China Communications Construction Company Limited
CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 30 June 2026
(Unit: RMB)

	Note V	For the six months ended 30 June 2026	For the six months ended 30 June 2025
		(Unaudited)	(Unaudited)
I. Cash flows from operating activities			
Cash received from sale of goods and rendering of services		337,013,763,831	304,511,014,477
Refund of taxes and surcharges		452,234,510	858,772,009
Other cash received from operating-related activities	70	17,525,716,902	19,781,430,324
Sub-total of cash inflow from operating activities		**354,991,715,243**	**325,151,216,810**
Cash paid for goods and services		(358,019,607,443)	(341,251,086,869)
Cash paid to and on behalf of employees		(26,110,773,674)	(25,480,431,483)
Payments of taxes and surcharges		(15,631,765,420)	(14,255,180,574)
Other cash paid for operating-related activities	70	(16,095,694,746)	(21,465,376,313)
Sub-total of cash outflows from operating activities		**(415,857,841,283)**	**(402,452,075,239)**
Net cash flow from operating activities	71	(60,866,126,040)	(77,300,858,429)
II. Cash flows from investing activities			
Cash from disposal of investments		1,774,955,419	5,447,968,296
Cash from investment income		1,332,538,064	552,776,058
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		397,541,895	220,829,898
Net cash received from disposal of subsidiaries and other business entities	Note VII	248,687,382	1,622,318,503
Other cash received from investing-related activities	70	3,698,351,272	2,444,406,585
Sub-total of cash inflow from investing activities		**7,452,074,032**	**10,288,299,340**
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		(11,408,963,134)	(14,134,987,567)
Cash paid for investment		(5,485,949,382)	(9,437,203,140)
Net cash paid for acquisition of subsidiaries and other business entities	Note VII	(3,771,233,668)	(2,901,681,579)
Other cash paid for investing-related activities	70	(4,155,671,536)	(2,742,401,063)
Sub-total of cash outflow from investing activities		**(24,821,817,720)**	**(29,216,273,349)**
Net cash flow from investing activities		**(17,369,743,688)**	**(18,927,974,009)**

The accompanying notes to the financial statements form part of these financial statements.

China Communications Construction Company Limited
CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
For the six months ended 30 June 2026
(Unit: RMB)

	Note V	For the six months ended 30 June 2026	For the six months ended 30 June 2025
		(Unaudited)	(Unaudited)
III. Cash flows from financing activities			
Cash received from investments		1,015,024,814	515,857,719
Including: Cash received by subsidiaries from minority shareholders' investment		1,015,024,814	515,857,719
Cash received from the issuance of other equity instruments		12,968,998,447	26,898,584,218
Cash received from borrowings		217,543,522,431	163,865,542,531
Cash received from the issuance of bonds and shortterm financing bonds		78,470,000,000	46,918,000,000
Other cash received from financing-related activities	70	5,347,730,475	5,822,543,732
Sub-total of cash inflow from financing activities		**315,345,276,167**	**244,020,528,200**
Cash paid for repayment of debts		(171,229,501,773)	(102,502,024,358)
Cash paid for distribution of dividends, profits or interest payments		(13,955,580,407)	(15,274,033,432)
Including: Dividends and profits paid by subsidiaries to minority shareholders		(998,393,567)	(1,325,355,180)
Cash paid for redemption of other equity instruments		(6,170,000,000)	(16,600,000,000)
Other cash paid for financing-related activities	70	(6,398,569,728)	(12,497,108,038)
Sub-total of cash outflow from financing activities		**(197,753,651,908)**	**(146,873,165,828)**
Net cash flow from financing activities		**117,591,624,259**	**97,147,362,372**
IV. Effect of exchange rate changes on cash and cash equivalents		(626,973,314)	131,072,608
V. Net increase in cash and cash equivalents		38,728,781,217	1,049,602,542
Add: Cash and cash equivalents balance at the beginning of the period	71	139,830,228,674	134,974,399,850
VI. Cash and cash equivalents balance at the end of the period	71	178,559,009,891	136,024,002,392

The accompanying notes to the financial statements form part of these financial statements.

China Communications Construction Company Limited
COMPANY BALANCE SHEET
30 June 2026
(Unit: RMB)

Assets	Note XVII	30 June 2026 (Unaudited)	31 December 2025
Current assets			
Cash and bank balances	1	26,479,070,365	21,995,991,993
Accounts receivable	2	5,370,969,478	5,676,014,126
Prepayments		4,116,793,750	7,114,161,260
Other receivables	3	48,080,515,964	48,199,428,606
Inventories		496,774,513	488,540,034
Contract assets		12,274,442,976	10,237,031,784
Non-current assets due within one year		3,023,710,290	3,096,854,290
Other current assets		1,148,394,258	1,009,005,866
Total current assets		**100,990,671,594**	**97,817,027,959**
Non-current assets			
Long-term receivables		6,885,226,072	6,539,029,366
Long-term equity investments	4	196,170,087,372	195,495,773,418
Other equity instrument investments	5	7,155,118,289	8,482,310,560
Other non-current financial assets		1,462,093,791	1,462,093,791
Investment properties		1,500,618,834	1,528,932,397
Fixed assets		189,887,424	202,609,683
Construction in progress		485,955	485,955
Right-of-use assets		126,174,223	101,290,817
Intangible assets		654,673,067	776,213,019
Development expenses		140,994,187	128,953,915
Long-term deferred expenses		27,922,851	29,762,762
Other non-current assets		3,416,413,175	2,967,016,427
Total non-current assets		**217,729,695,240**	**217,714,472,110**
Total assets		**318,720,366,834**	**315,531,500,069**

The accompanying notes to the financial statements form part of these financial statements.

China Communications Construction Company Limited
COMPANY BALANCE SHEET (CONTINUED)
30 June 2026
(Unit: RMB)

Liabilities and shareholders' equity	Note XVII	30 June 2026 (Unaudited)	31 December 2025
Current liabilities			
Short-term borrowings	6	56,455,801,778	45,329,543,772
Accounts payable	7	22,702,658,288	17,271,828,532
Contract liabilities		6,478,181,983	9,153,325,868
Accrued payroll		102,852,464	131,773,041
Taxes and surcharges payable		743,475,250	821,134,555
Other payables	8	30,862,468,003	44,315,023,726
Non-current liabilities due within one year		14,977,792,658	18,771,636,571
Other current liabilities		12,149,117,484	2,476,595,202
Total current liabilities		**144,472,347,908**	**138,270,861,267**
Non-current liabilities			
Long-term borrowings	9	182,376,709	217,939,181
Bonds payable		15,500,000,000	15,500,000,000
Lease liabilities		98,327,604	74,473,877
Long-term payables		9,758,474,562	9,463,978,553
Long-term accrued payroll		18,786,471	19,190,000
Estimated liabilities		83,035,886	77,563,565
Deferred income		8,720,600	8,720,600
Deferred income tax liabilities		1,898,339,445	2,231,728,418
Total non-current liabilities		**27,548,061,277**	**27,593,594,194**
Total liabilities		**172,020,409,185**	**165,864,455,461**
Shareholders' equity			
Share capital		16,213,786,279	16,274,644,225
Other equity instruments		22,200,000,000	22,200,000,000
Including: Perpetual bonds		22,200,000,000	22,200,000,000
Capital reserves		26,101,493,144	26,536,729,872
Less: Treasury shares		383,172,602	667,260,069
Other comprehensive income		4,827,845,710	5,875,600,712
Special reserves		27,601	–
Surplus reserves		14,983,729,091	14,983,729,091
Undistributed profit		62,756,248,426	64,463,600,777
Total shareholders' equity		**146,699,957,649**	**149,667,044,608**
Total liabilities and shareholders' equity		**318,720,366,834**	**315,531,500,069**

These financial statements have been signed by:

SONG Hailiang	LIU Zhengchang	ZHANG Huafang
Legal representative	Person-in-charge of accounting	Head of accounting department

The accompanying notes to the financial statements form part of these financial statements.

China Communications Construction Company Limited
COMPANY INCOME STATEMENT
For the six months ended 30 June 2026
(Unit: RMB)

	Note XVII	For the six months ended 30 June 2026	For the six months ended 30 June 2025
			(Unaudited)
Revenue from operations	10	22,007,919,298	15,609,369,957
Less: Cost of operations	10	20,938,141,540	14,626,943,382
Taxes and surcharges		39,767,259	24,619,288
Selling expenses		1,593,359	141,705
Administrative expenses		809,815,663	731,049,955
Research and development expenses		85,072,209	83,010,279
Finance costs	11	816,446,218	526,656,486
Including: Interest expenses		1,200,863,215	1,079,272,332
Interest income		539,483,239	573,959,027
Add: Other income		2,729,787	3,540,502
Investment income	12	377,303,467	738,044,256
Including: Investment income from associates and joint ventures		41,270,259	81,477,570
Losses from fair value changes		–	(15,966)
Credit losses		(3,273,702)	(29,409,085)
Impairment losses		(15,873,897)	(17,698,699)
Gains from assets disposal		92,033	123,344
Operating (loss)/profit		(321,939,262)	311,533,214
Add: Non-operating income		217,734	578,721
Less: Non-operating expenses		3,509,924	3,808
Total (loss)/profit		**(325,231,452)**	**312,108,127**
Less: Income tax expenses		(1,624,435)	(12,009,469)
Net (loss)/profit		(323,607,017)	324,117,596
Including: Net (loss)/profit from continuing operations		(323,607,017)	324,117,596
Other comprehensive (loss)/income, net of tax		(1,047,755,002)	996,706,878
Other comprehensive (loss)/income that will not be reclassified to profit and loss			
Fair value changes of investment in other equity instruments		(995,394,203)	1,002,018,521
		(995,394,203)	1,002,018,521
Other comprehensive (loss)/income that will be reclassified to profit and loss			
Other comprehensive (loss)/income that may be transferred to profit and loss under equity method		(5,532,626)	2,399,546
Exchange differences arising from retranslation of financial statements denominated in foreign currencies		(46,828,173)	(7,711,189)
		(52,360,799)	(5,311,643)
Total comprehensive income		**(1,371,362,019)**	**1,320,824,474**

The accompanying notes to the financial statements form part of these financial statements.

China Communications Construction Company Limited
COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the six months ended 30 June 2026
(Unit: RMB)

For the six months ended 30 June 2026 (unaudited)

	Share capital	Other equity instruments	Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total shareholders' equity
I. Balance at the beginning of the current period	16,274,644,225	22,200,000,000	26,536,729,872	667,260,069	5,875,600,712	–	14,983,729,091	64,463,600,777	149,667,044,608
II. Changes for the period									
(I) Total comprehensive income									
1. Net loss	–	–	–	–	–	–	–	(323,607,017)	(323,607,017)
2. Other comprehensive income	–	–	–	–	(1,047,755,002)	–	–	–	(1,047,755,002)
(II) Capital contribution and reductions by shareholders									
1. Reductions of ordinary shares by shareholders	(60,857,946)	–	(439,142,267)	(500,000,213)	–	–	–	–	–
2. Share-based payments – Employee contributions for granted restricted shares	–	–	–	–	–	–	–	–	–
3. Share-based payments –Cancellation of granted restricted shares	–	–	–	–	–	–	–	–	–
4. Share-based payments –Vesting of restricted shares	–	–	–	(26,786,628)	–	–	–	–	26,786,628
5. Repurchase of shares	–	–	–	242,699,374	–	–	–	–	(242,699,374)
6. Share-based payment expense	–	–	1,025,506	–	–	–	–	–	1,025,506
7. Capital contributions by holders of other equity instruments	–	–	–	–	–	–	–	–	–
8. Capital reductions by holders of other equity instruments	–	–	–	–	–	–	–	–	–
9. Other	–	–	2,880,033	–	–	–	–	–	2,880,033
(III) Increase in and utilisation of special reserves									
1. Increase in special reserves	–	–	–	–	–	8,504,783	–	–	8,504,783
2. utilisation of special reserves	–	–	–	–	–	(8,477,182)	–	–	(8,477,182)
(IV) Profit distribution									
1. Distributions to shareholders	–	–	–	–	–	–	–	(1,257,895,334)	(1,257,895,334)
2. Interest on perpetual bonds	–	–	–	–	–	–	–	(125,850,000)	(125,850,000)
III. Balance at end of the period	**16,213,786,279**	**22,200,000,000**	**26,101,493,144**	**383,172,602**	**4,827,845,710**	**27,601**	**14,983,729,091**	**62,756,248,426**	**146,699,957,649**

The accompanying notes to the financial statements form part of these financial statements.

China Communications Construction Company Limited
COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
For the six months ended 30 June 2025
(Unit: RMB)

For the six months ended 30 June 2025 (unaudited)

	Share capital	Other equity instruments	Capital reserves	Less: Treasury shares	Other comprehensive income	Surplus reserves	Undistributed profit	Total shareholders' equity
I. Balance at the beginning of the current period	16,278,611,425	31,000,000,000	26,406,610,796	597,315,500	5,476,861,961	13,252,222,890	54,083,218,726	145,900,210,298
II. Changes for the period								
(I) Total comprehensive income								
1. Net profit	–	–	–	–	–	–	324,117,596	324,117,596
2. Other comprehensive income	–	–	–	–	996,706,878	–	–	996,706,878
(II) Capital contribution and reductions by shareholders								
1. Equity transactions	–	–	281,980,981	–	–	–	–	281,980,981
2. Share-based payments – Obligation to repurchase restricted shares	–	–	–	(166,305,594)	–	–	–	166,305,594
3. Share-based payment expense	–	–	110,075,533	–	–	–	–	110,075,533
4. Capital contributions by holders of other equity instruments	–	5,000,000,000	(1,415,782)	–	–	–	–	4,998,584,218
5. Capital reductions by holders of other equity instruments	–	(5,000,000,000)	–	–	–	–	–	(5,000,000,000)
6. Other	–	–	5,679,789	–	–	–	–	5,679,789
(III) Profit distribution								
1. Distributions to shareholders	–	–	–	–	–	–	(2,630,786,392)	(2,630,786,392)
2. Interest on perpetual bonds	–	–	–	–	–	–	(591,600,000)	(591,600,000)
III. Balance at end of the period	**16,278,611,425**	**31,000,000,000**	**26,802,931,317**	**431,009,906**	**6,473,568,839**	**13,252,222,890**	**51,184,949,930**	**144,561,274,495**

The accompanying notes to the financial statements form part of these financial statements.

China Communications Construction Company Limited
COMPANY CASH FLOW STATEMENT
For the six months ended 30 June 2026
(Unit: RMB)

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
I. Cash flows from operating activities		
Cash received from sale of goods and rendering of services	18,237,066,878	16,324,650,643
Refund of taxes and surcharges	2,911,174	2,871,753
Other cash received from operating-related activities	617,745,846	4,663,277,684
Sub-total of cash inflow from operating activities	**18,857,723,898**	**20,990,800,080**
Cash paid for goods and services	(13,476,040,148)	(13,966,659,919)
Cash paid to and on behalf of employees	(691,727,895)	(623,370,070)
Payments of taxes and surcharges	(400,164,374)	(603,879,494)
Other cash paid for operating-related activities	(13,895,368,872)	(637,544,640)
Sub-total of cash outflows from operating activities	**(28,463,301,289)**	**(15,831,454,123)**
Net cash flow from operating activities	**(9,605,577,391)**	**5,159,345,957**
II. Cash flows from investing activities		
Cash from disposal of investments	–	43,948,008
Cash from investment income	815,676,956	82,636,466
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	93,067	404,687
Sub-total of cash inflow from investing activities	**815,770,023**	**126,989,161**
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(32,498,199)	(52,279,187)
Cash paid for investment	(734,107,426)	(34,852,512)
Other cash paid for investing-related activities	(138,096,472)	(5,944,048)
Sub-total of cash outflow from investing activities	**(904,702,097)**	**(93,075,747)**
Net cash flow from investing activities	**(88,932,074)**	**33,913,414**
III. Cash flows from financing activities		
Cash received from borrowings	41,556,713,153	34,643,083,992
Cash received from the issuance of other equity instruments	–	5,000,000,000
Cash received from the issuance of bonds and short-term financing bonds	16,000,000,000	6,000,000,000
Other cash received from financing-related activities	200,000,000	–
Sub-total of cash inflow from financing activities	**57,756,713,153**	**45,643,083,992**
Cash paid for repayment of debts	(40,209,880,269)	(35,743,209,532)
Cash paid for distribution of dividends, profits or interest payments	(2,936,339,509)	(4,009,728,123)
Cash paid for redemption of other equity instruments	–	(5,000,000,000)
Other cash paid for financing-related activities	(273,278,058)	(19,842,060)
Sub-total of cash outflow from financing activities	**(43,419,497,836)**	**(44,772,779,715)**
Net cash flow from financing activities	**14,337,215,317**	**870,304,277**
IV. Effect of exchange rate changes on cash and cash equivalents	(159,627,479)	101,776,668
V. Net increase in cash and cash equivalents	4,483,078,373	6,165,340,316
Add: Cash and cash equivalents balance at the beginning of the period	21,980,982,288	16,915,517,067
VI. Cash and cash equivalents balance at the end of the period	**26,464,060,661**	**23,080,857,383**

The accompanying notes to the financial statements form part of these financial statements.

China Communications Construction Company Limited
NOTES TO THE FINANCIAL STATEMENTS
For the six months ended 30 June 2026
(Unless otherwise stated, all amounts are in RMB)

I. BASIC INFORMATION ON THE GROUP

China Communications Construction Company Limited (the "Company") is a joint stock limited company established solely by China Communications Construction Group (Limited) ("CCCG"), with its registered address at 85 De Sheng Men Wai Street, Xicheng District, Beijing, the People's Republic of China, and its headquarters at 85 De Sheng Men Wai Street, Xicheng District, Beijing, the People's Republic of China. CCCG is the parent company and ultimate parent company of the Company.

CCCG is a wholly state-owned limited liability company established through the reorganisation of China Harbour Engineering Company (Group) and China Road and Bridge Corporation by way of a merger pursuant to the approval granted by the State-owned Assets Supervision and Administration Commission of the State Council (the "SASAC") on 12 July 2005 in accordance with the Notice on the Reorganisation of China Harbour Engineering Company (Group) and China Road and Bridge Corporation (Guo Zi Gai Ge [2005] No. 703). On 8 December 2005, CCCG was established in Beijing, the People's Republic of China.

Pursuant to the approval granted by the SASAC in the Approval on the Overall Reorganisation and Domestic and Overseas Listing of China Communications Construction Group (Limited) (Guo Zi Gai Ge [2006] No. 1063) dated 16 August 2006, and in accordance with the reorganisation plan set out in the Reorganisation Agreement between China Communications Construction Group (Limited) and China Communications Construction Company Limited approved and signed at the Company's inaugural meeting on 29 September 2006, CCCG contributed capital to establish the Company.

Upon approval, the Company was formally registered and established in Beijing, the People's Republic of China, on 8 October 2006, with a registered capital of RMB10,800 million.

Following a proposal by the Company's Board of Directors and approval by the general meeting, in accordance with Zheng Jian Guo He Zi [2006] No. 25 Approval on the Issuance of Overseas-Listed Foreign Shares by China Communications Construction Company Limited published by the China Securities Regulatory Commission, the Company completed the initial public offering of 3,500 million H shares to overseas investors on 15 December 2006, and exercised the over-allotment option on 22 December 2006 to complete the additional issuance of 525 million H shares, bringing the total number of H shares issued to 4,025 million, each with a par value of RMB1, which were verified by PricewaterhouseCoopers Zhongtian Certified Public Accountants (renamed PricewaterhouseCoopers Zhong Tian LLP in 2013) in its Pu Hua Yong Dao Zhong Tian Yan Zi [2007] No. 023 Capital Verification Report. Following the Company's initial public offering of H shares, its registered capital increased to RMB14,825 million.

Following a proposal by the Company's Board of Directors and approval by the general meeting, in accordance with Guo Zi Wei [2011] No. 185 Approval on Issues Relating to the Initial Public Offering of A Shares by China Communications Construction Company Limited and the Absorption Merger with Road & Bridge International Co., Ltd., and Zheng Jian Xu Ke [2012] No. 125 Approval on the Absorption Merger of Road & Bridge International Co., Ltd. by China Communications Construction Company Limited published by the China Securities Regulatory Commission, the Company completed the initial public offering and listing of RMB ordinary shares (A shares) in the domestic market on 9 March 2012, as well as the absorption merger through a share exchange of its subsidiary, Road & Bridge International Co., Ltd. ("Road & Bridge"). The Company issued a total of 1,349,735,425 RMB ordinary shares (A shares), each with a par value of RMB1, which were verified by PricewaterhouseCoopers Zhongtian Certified Public Accountants (renamed PricewaterhouseCoopers Zhong Tian LLP in 2013) in its Pu Hua Yong Dao Zhong Tian Yan Zi [2012] No. 035 Capital Verification Report. Following the Company's initial public offering of A shares, its registered capital increased to RMB16,174,735,425.

In 2020, the Company repurchased and cancelled a total of 9,024,000 H shares, reducing the Company's registered capital to RMB16,165,711,425.

In 2023, the Company granted 97,950,000 restricted shares to 658 employees, increasing the Company's registered capital to RMB16,263,661,425.

In 2024, the Company granted 16,700,000 restricted shares to 134 employees. Of these, 250,000 restricted shares lapsed prior to the registration of the grant. The actual number of restricted shares for which the Company applied for registration was 16,450,000, and the Company repurchased and cancelled 1,500,000 restricted shares, increasing the Company's registered capital to RMB16,278,611,425.

In 2025, the Company repurchased and cancelled 3,967,200 restricted shares, reducing the Company's registered capital to RMB16,274,644,225.

In 2026, the Company repurchased and cancelled a total of 60,857,946 A shares, reducing the Company's registered capital to RMB16,213,786,279.

The main businesses of the Company and its subsidiaries (the "Group") include: infrastructure construction business, primarily comprising the survey, design, construction and supervision of coastal and inland water port engineering, as well as road, railway, bridge and tunnel engineering; dredging business, primarily comprising infrastructure dredging, maintenance dredging, reclamation dredging, and environmental dredging; and international contracting business.

These financial statements were approved for publication by the Company's Board of Directors at its meeting on 27 August 2026. In accordance with the articles of association of the Company, these financial statements will be submitted to the general meeting for consideration.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises – Basic Standards issued by the Ministry of Finance, as well as specific accounting standards, interpretations and other relevant provisions issued and amended subsequently (collectively, the "Accounting Standards for Business Enterprises"). In addition, these financial statements disclose relevant financial information in accordance with Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reporting.

Note: In accordance with the Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong published by the Stock Exchange in December 2010, the corresponding amendments to the Rules Governing the Listing of Securities (the "Hong Kong Listing Rules") published by the Stock Exchange, and relevant documents issued by the Ministry of Finance and the CSRC, following consideration and approval at the fifth meeting of the Company's sixth session of the Board of Directors, with effect from 2026, the Company will no longer provide separate financial reports prepared in accordance with the PRC accounting standards and the IFRS to A shareholders and H shareholders respectively. Instead, it will provide all shareholders with financial reports prepared in accordance with PRC accounting standards, taking into account the relevant disclosure requirements of the Hong Kong Companies Ordinance and the Hong Kong Listing Rules when preparing these financial reports.

These financial statements are presented on a going concern basis.

As at 30 June 2026, the Group's current liabilities exceeded current assets by RMB107,346,259,477. Having reviewed the Group's cash and cash equivalents as well as available banking facilities, the directors are of the opinion that the Group will be able to meet all its maturing liabilities in full within the next 12 months. Accordingly, these financial statements are presented on a going concern basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group has developed specific accounting policies and accounting estimates based on the characteristics of its production and operation, as described below:

1. Statement of compliance with Accounting Standards for Business Enterprises (ASBEs)

The financial statements represent a true and complete reflection of the financial position of the Company and the Group as at 30 June 2026 and their results of operations and cash flows for the six months ended 30 June 2026 in compliance with the requirements of ASBEs.

2. Accounting period

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

3. Functional currency

The Company's functional currency and the currency used in preparing the financial statements were Renminbi. The amounts in the financial statements were denominated in Renminbi, unless otherwise stated.

The Group's subsidiaries, joint ventures and associates determine their functional currencies according to the major economic environment in which they operate, and translate into Renminbi when preparing the financial statements.

4. Methods for determining criteria of materiality and bases for election adopted in the disclosure of financial statements

	Proposed criteria of materiality
Key receivables for which individual provisions for bad and doubtful debts have been made	Individual provisions for bad and doubtful debts exceeding RMB300 million
Key provisions for bad and doubtful debts of receivables recovered or reversed	Recoveries or reversals of provision for bad and doubtful debts of receivables exceeding RMB300 million
Write-off of key provisions for bad and doubtful debts of receivables	Individual write-off of provisions for bad and doubtful debts of receivables exceeding RMB300 million
Key dividends receivable with ageing over 1 year	Dividends receivable with ageing over 1 year and with an amount exceeding RMB300 million
Key impairment provisions for contract assets recovered or reversed	Recoveries or reversals of impairment provisions for contract assets exceeding RMB300 million
Key debt investments	Closing balance exceeding RMB300 million
Key construction in progress	Individual construction in progress with a budgeted amount exceeding RMB500 million and the opening or closing book balance exceeding RMB100 million
Key accounts payable, other payables and contract liabilities with ageing over 1 year	Ageing over 1 year and the closing balance accounting for more than 1% of the total book balance
Key cash related to investing activities	Single investing activity involving cash of more than RMB1,500 million
Subsidiary with material minority interests	Amount of minority interests exceeding RMB1,000 million
Key joint ventures or associates	Book balance of long-term equity investments in associates or joint ventures accounting for more than 1% of the total book balance of long-term equity investments in the consolidated financial statements of the Group
Key capitalised borrowing interest project for intangible assets concession	Project with capitalised borrowing costs for the period exceeding RMB100 million

5. Business combination

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

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Assets and liabilities obtained by combining party in the business combination involving entities under common control (including goodwill arising from the acquisition of the merged party by the ultimate controller) shall be accounted for on the basis of the carrying amounts on the financial statements of the ultimate controller on the combination date. The difference between the carrying amount of the net assets obtained by combining party and the carrying amount of the consideration paid for the combination (or aggregate face values of the shares issued) is adjusted to the share premium in capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings.

A business combination not involving entities under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities are measured at their fair values at the acquisition date. The excess of the combination cost over the share of the attributable net identifiable assets of the acquiree, measured at fair value, was recognised as goodwill, which is subsequently measured at cost less cumulative impairment loss. In case the combination cost is less than the fair value of the share of the attributable net identifiable assets of the acquiree, a review of the measurement of the fair values of the identifiable assets, liabilities and contingent liabilities and the combination cost is conducted. If the review indicates that the combination cost is indeed less than the fair value of the share of the attributable net identifiable assets of the acquiree, the difference is recognised in current profit or loss.

6. Consolidated financial statements

The consolidation scope for consolidated financial statement is determined based on the concept of control, including the financial statements of the Company and all of its subsidiaries, which represent the entities controlled by the Company (including enterprises, separable components of investee units and structured entities controlled by the Company). An investor is considered having control over the investee if, and only if, the following three factors are present: the investor: exercises power over the investee; is entitled to realisable return for participation in relevant activities of the investee; is capable of exercising power over the investee in a manner affecting the amount of its return.

Where the accounting policies or accounting periods of subsidiaries are inconsistent with those adopted by the Company, the financial statements of the subsidiaries are adjusted as necessary to conform with the Company's accounting policies and accounting period in preparation of the consolidated financial statements. All assets, liabilities, interests, income, expenses and cash flows arising from intra-group transactions are eliminated in full on consolidation.

Where the amount of losses of a subsidiary attributable to the minority shareholders in the current period exceeds their share of the opening balance of shareholders' equity of the subsidiary, the excess shall be allocated against minority interests.

For a subsidiary acquired through a business combination involving enterprises not under common control, the operating results and cash flows of the acquiree shall be included in the consolidated financial statement from the date on which the Group gains control till the Group ceases the control of it. While preparing the consolidated financial statements, the acquirer shall adjust the subsidiary's financial statements, on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities recognised on the acquisition date.

For subsidiaries acquired through business combinations involving entities under common control, the operating results and cash flows of the party being combined shall be included in the consolidated financial statements from the beginning of the period in which the combination occurs. While preparing the comparative consolidated financial statements, adjustments are made to related items in the financial statements for the prior period as if the reporting entity established through combination had been existing since the ultimate controller begins to exercise control.

The Group's control over an investee is re-assessed if change in relevant facts and situations causes changes in one or more of the elements of control.

Where there is no loss of control, the change in minority interests is accounted for as an equity transaction.

7. Classification of joint venture arrangements and joint operations

Joint venture arrangements are in the form of joint operations and joint ventures. A joint operation is a joint venture arrangement under which the joint venture parties are entitled to the assets and undertake liabilities under the arrangement. A joint venture is a joint venture arrangement under which the joint venture parties are only entitled to the net assets of the arrangement.

A joint venture party recognises the following items in relation to its share of interest in a joint operation: its solely-held assets, and jointly-held assets according to its share; its solely-assumed liabilities, and jointly-assumed liabilities according to its share; its revenue from the sale of its share of the output arising from the joint operation; revenue generated from the sale of the output by the joint operation according to its share; its solely-incurred expenses, and any expenses incurred by the joint operation according to its share.

8. Cash and cash equivalents

Cash comprises the Group's cash on hand and deposits readily available for payments. Cash equivalents represent the Group's short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Foreign currency business and translation of foreign currency statements

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

Upon initial recognition, foreign currency transactions are translated into the functional currency amount using the spot exchange rates prevailing on the transaction dates. At the balance sheet date, foreign currency monetary items are translated using the spot exchange rate prevailing on the balance sheet date. All translation differences arising from the settlement and monetary items are recognised in current profit or loss, except for those arising from foreign currency borrowings specifically for construction and acquisition of assets eligible for the capitalisation, which are dealt with in accordance with the principle of capitalisation of borrowing costs. Foreign currency non-monetary items measured at historical cost continue to be translated using the exchange rate at initial recognition without changing the carrying amount in functional currency. Foreign currency non-monetary items measured at fair value are translated using the spot exchange rate at the record date for the fair value. The differences arising from the above translations are recognised in current profit or loss or other comprehensive income according to the nature of the non-monetary items.

For foreign operations, the Group translates the functional currency amounts into Renminbi when preparing the financial statements: asset and liability items in the balance sheet are translated at the spot exchange rate at the balance sheet date; Shareholders' equity items, except for "undistributed profit", are translated at the spot exchange rates at the date when such items arose; revenue and expense items in the income statement are translated using the exchange rates similar to the spot exchange rates prevailing on the transaction dates (unless the adoption of such exchange rate is considered inappropriate owing to exchange rate fluctuations, in which case the spot exchange rate prevailing on the date of transaction shall be adopted). Translation differences arising from the aforesaid translation of financial statements denominated in foreign currency shall be recognised as other comprehensive income. When foreign operations are disposed, other comprehensive income relating to the foreign operation shall be transferred to current profit or loss. Partial disposal shall be recognised on a pro-rata basis.

Foreign currency cash flows and foreign subsidiaries' cash flows are translated using the exchange rate similar to the spot exchange rate prevailing on the dates of cash flows (the average exchange rate for the period when transactions occur) (unless the adoption of such exchange rate is considered inappropriate owing to exchange rate fluctuations, in which case the spot exchange rate prevailing on the dates of cash flows shall be adopted). The impact on cash by the fluctuation of exchange rates is presented as a separate adjustment item of reconciliation in the statement of cash flows.

10. Financial instrument

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

(1) Recognition and derecognition of financial instrument

A financial asset or financial liability is recognised when the Group becomes a party to the contractual provisions of the financial instrument.

The Group derecognises a financial asset (or part of a financial asset, or part of a group of similar financial assets), i.e. writes off the financial asset from the balance sheet, when the following conditions are met:

(1) the rights to receive cash flows from the financial asset expire;

(2) the Group has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay them in full in a timely manner to a third party under a "pass-through arrangement"; and either has transferred substantially all the risks and rewards of ownership of the financial asset, or has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, but has not retained control of the financial asset.

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

Conventional dealings in financial assets are recognised or derecognised under the trade day accounting method. Conventional dealings in financial assets refer to the purchase or sale of financial assets in accordance with contracts which stipulates the delivery of financial assets within periods customarily determined by the law or according to market practices. The trade day is the date on which the Group undertakes to buy or sell a financial asset.

(2) Classification and measurement of financial assets

At initial recognition, the Group classifies its financial assets into: financial assets at amortised cost, or financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss according to the Group's business model for managing financial assets and the contract cash flow characteristics of the financial assets.

Financial assets are measured at fair value at initial recognition, provided that trade receivables or bills receivable arising from sale of goods or provision of services and not containing significant financing components or for which financing components of not more than one year are not taken into consideration shall be measured at their transaction prices at initial recognition.

For financial assets at fair value through profit or loss, the relevant transaction costs are directly recognised in current profit or loss; for other financial assets, the relevant transaction costs are recognised in their initial recognition amount.

The subsequent measurement of financial assets is dependent on its classification:

Debt instrument investments at amortised cost

Financial assets fulfilling all of the following conditions are classified as financial assets at amortised cost: the objective of the Group's business model for managing the financial assets is to generate contractual cash flows; the contractual terms of the financial assets provide that cash flows generated on specific dates represents the payment in relation to the principal and interest based on outstanding principal amounts only. Interest income from such financial assets is recognised using the effective interest rate method, and any gains or loss arising from derecognition, amendments or impairment shall be charged to current profit or loss.

Debt instrument investments at fair value through other comprehensive income

Financial assets fulfilling all of the following conditions are classified as financial assets at fair value through other comprehensive income: the objective of the Group's business model for managing the financial assets is both to collect contractual cash flows and to sell the financial assets; the contractual terms of the financial assets provide that cash flows generated on specific dates represents the payment in relation to the principal and interest based on outstanding principal amounts only. Interest income from such financial assets is recognised using the effective interest rate method. Other than interest income, impairment loss and exchange differences which shall be recognised as current profit or loss, other fair value changes shall be included in other comprehensive income. Upon derecognition of the financial assets, the cumulative gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income to current profit or loss.

Equity instrument investments at fair value through other comprehensive income

The Group irrevocably opts to designate some of the investments in non-tradable equity instruments to financial assets at fair value through other comprehensive income, and only recognizes relevant dividend incomes (except for the dividend income recovered as investment costs) in current profit or loss, while subsequent changes in fair value are recognised in other comprehensive income, without needing to withdraw impairment provision. Upon derecognition of the financial assets, the cumulative gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income to retained earnings.

Financial assets at fair value through profit or loss

Other than financial assets measured at amortised cost and financial assets at fair value through other comprehensive income as aforementioned, all financial assets are classified as financial assets at fair value through profit or loss. For such financial assets, fair value is used for subsequent measurement, and all changes in fair value, other than those relating to hedge accounting, are recognized in profit or loss for the period.

(3) Classification and measurement of financial liabilities

Other than financial liabilities constituted by financial guarantee contracts in force and transfer of financial assets not qualifying for the derecognition criteria or transferred financial assets subject to continuous involvement, the Group's financial liabilities are classified as: financial liabilities at fair value through profit or loss and financial liabilities measured at amortized cost at initial recognition. For financial liabilities at fair value through profit or loss, related transaction expenses are directly charged to profit or loss for the period; and transaction expenses relating to financial liabilities measured at amortized cost are included in their initial recognized amount.

The subsequent measurement of financial liabilities is dependent on its classification:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include tradable financial liabilities (comprising derivatives classified as financial liabilities) and financial liabilities designated as at fair value through profit or loss at initial recognition. Tradable financial liabilities (comprising derivatives classified as financial liabilities) are subsequently measured at fair value and all changes, other than those relating to hedge accounting, are recognised in current profit or loss. Financial liabilities designated as at fair value through profit or loss are subsequently measured at fair value. Other than fair value changes arising from the change in the Group's inherent credit risk which are included in other comprehensive income, other fair value changes are included in current profit or loss. If the inclusion of fair value changes arising from the change in the Group's inherent credit risk in other comprehensive income will result in or increase the accounting mismatch in profit or loss, the Group will include all fair value changes (including amounts arising from change in its inherent credit risk) in current profit or loss.

Financial liabilities at amortised cost

Subsequent measurement of these financial liabilities is carried at amortised cost using the effective interest rate method.

(4) Impairment of financial instruments

Determination and accounting treatment of expected credit losses

The Group performs impairment treatment on financial assets at amortised cost, debt instrument investments at fair value through other comprehensive income, lease receivables, contract assets and financial guarantee contracts based on expected credit losses and recognises loss provision.

For receivables and contract assets that do not contain significant financing components, the Group adopts a simplified measurement approach to measure loss provision based on an amount equivalent to a lifetime expected credit losses.

For lease receivables, receivables and contract assets that contain a significant financing component, the Group chooses to adopt a simplified measurement approach to measure loss provision based on an amount equivalent to a lifetime expected credit losses.

In addition to the financial assets and financial guarantee contracts described above using the simplified measurement approach, the Group assesses whether its credit risk has increased significantly since the initial recognition on each balance sheet date. If the credit risk has not increased significantly since the initial recognition, it is at the stage 1, and the Group measures loss provision at an amount equal to 12-month expected credit losses, and calculates the interest income based on the book balance and the actual interest rate; if the credit risk has increased significantly since the initial recognition, but no credit impairment occurs, it is at the stage 2, and the Group measures loss provision at an amount equal to lifetime expected credit losses, and calculates the interest income based on the book balance and the actual interest rate; if the credit impairment occurs after the initial recognition, it is at the stage 3, and the Group measures loss provision at an amount equal to lifetime expected credit losses, and calculates the interest income based on the amortised cost and the actual interest rate. For financial instruments with relatively low credit risk on the balance sheet date, the Group assumes that its credit risk has not increased significantly since the initial recognition.

The Group assesses the expected credit losses on financial instruments based on an individual and a collective basis. The Group considers credit risk characteristics of different customers, and assesses the expected credit losses of receivables based on common risk characteristics and by their ageing portfolios based on the invoice dates. Except for the financial instruments for which expected credit losses are assessed on a portfolio basis as described above, the Group assesses the expected credit losses of financial instruments on a stand-alone basis.

For the disclosure of the Group's criteria for judging whether credit risks have significantly increased, and definition of credit-impaired assets, please refer to Note X. 1.

Factors reflected in the Group's approach of measuring expected credit loss of financial instruments include: the unbiased probability weighted average amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and substantiated information about past events, current conditions and projections of future economic conditions that is available at the balance sheet date without undue additional cost or effort.

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

The Group considers the credit risk characteristics of different customers and estimates the expected credit loss of financial instruments based on common risk characteristics and by ageing portfolio/overdue ageing portfolio/ certain portfolios combined with ageing.

Bills receivable	Based on the Group's historical experience, there are no significant differences in the occurrence of losses among different acceptors. Accordingly, the Group treats all bills receivable as a single portfolio and does not further distinguish between different groups of acceptors when calculating the provision for bad and doubtful debts on bills receivable.
Accounts receivable	The Group's accounts receivable mainly consist of receivables from engineering contracting business and receivables from the provision of services. Based on the nature of the receivables and the credit risk characteristics of different counterparties, the Group classifies accounts receivable into 2 portfolios, namely the engineering contracting business receivables portfolio and the service provision business receivables portfolio.
Other receivables	The Group's other receivables mainly comprise advances, borrowings, security deposits, reserve funds, deposits and receivables from equity transfer. Based on the nature of the receivables and the credit risk characteristics of different counterparties, the Group classifies other receivables into 2 portfolios, namely the receivables for construction and security deposit portfolio and other portfolio.
Contract assets	Based on the Group's historical experience, there are no significant differences in the occurrence of losses among different customer segments. Accordingly, the Group treats all contract assets as a single portfolio and does not further distinguish between different customer segments when calculating the provision for bad and doubtful debts on contract assets.

Calculation of ageing for the purpose of recognizing credit risk characteristic portfolios based on ageing

The Group determines the ageing based on the invoice date, and determines the overdue ageing according to the date of payment agreed in the contract.

Criteria for determining impairment provisions for bad and doubtful debts on individual assessment

Bills receivable, accounts receivable, other receivables, and contract assets are usually assessed collectively as a portfolio based on credit risk characteristics to measure loss provision. If the credit risk characteristics of a counterparty is significantly different from other counterparties in the portfolio, or if there has been a significant change in its credit risk characteristics, individual loss provision in respect of the amount owed by such counterparty shall be made.

Write off of impairment provision

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

(5) Offsetting of financial instruments

Financial assets and financial liabilities may be offset against one another and presented as a net amount in the balance sheet if all of the following conditions are met: there is a currently exercisable statutory right to offset recognised amount; there is a plan to conduct net settlement or to realise the financial asset and settle the financial liability at the same time.

(6) Financial guarantee contracts

A financial guarantee contract is a contract under which the issuer shall indemnify the contract holder suffering losses with a specified amount in the event that the specific debtor fails to repay its debt in accordance with the terms of the debt instrument. Financial guarantee contracts are measured at fair value at initial recognition, other than financial guarantee contracts of financial liabilities designated as at fair value through profit or loss, after initial recognition, other financial guarantee contracts shall be subsequently measured at the higher of the amount of provision for expected credit loss determined as at the balance sheet date and the balance of the initial recognition amount after deducting the cumulative amortised amount determined in accordance with revenue recognition principles.

(7) Derivative financial instruments

The Group uses derivative financial instruments, for example, to hedge exchange rate risk through foreign exchange forward contracts, etc. Derivative financial instruments are initially measured at fair value on the date on which a derivative transaction contract is entered into and are subsequently re-measured at fair value. Derivatives financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

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

(8) Transfer of financial assets

The Group derecognises a financial asset when it has transferred substantially all the risks and rewards of ownership of the financial asset to the transferee; the Group does not derecognise the financial assets when it retains substantially all the risks and rewards of ownership of the financial assets.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of financial assets, the treatments of such financial assets are as follows: if the control of the financial assets is abandoned, the financial assets are derecognised and the assets and liabilities arising are recognised; if the control of the financial assets is not abandoned, the relevant financial assets are recognised according to the extent to which they continue to be involved in the transferred financial assets and the related liabilities are recognised accordingly.

If the transferred financial assets continue to be involved through the provision of financial guarantee method, the assets that continue to be involved are recognised according to carrying amount of the financial assets and the financial guarantee amount, whichever is lower. The amount of the financial guarantee is the maximum amount of the consideration received that will be required to be repaid.

11. Inventories

Inventories include raw materials, work in progress, properties under development, completed properties, finished goods and turnover materials, etc. and are measured at the lower of cost and net realisable value.

Inventories are initially measured at cost. Cost of inventories include procurement costs, processing costs and other costs. Cost of inventories is calculated using the weighted average method. The cost of finished goods and work in progress comprise raw materials, direct labour and systematically allocated production costs based on the normal production capacity. The cost of properties under development and completed properties comprises land costs, construction costs, capitalised interest and other direct and indirect development costs relating to property development. Cost of properties under development are transferred to cost of completed properties based on actual cost upon completion of development and is allocated on an actual cost basis.

Project-specific materials among the turnover materials are amortised evenly over the project cycle and recognised in the costs or expenses for the current period, while other turnover materials are amortised by instalments based on their estimated number of uses and recognised in the costs or expenses for the current period. Low-value consumables and packaging materials are amortised using the immediate write-off method.

The Group adopts the perpetual inventory system.

As at the balance sheet date, inventories are measured at the lower of cost and net realisable value. Where the cost exceeds the net realisable value, provision for impairment of inventories is made and recognised in current profit or loss. Net realisable value represents the amount of the estimated selling price of inventories in the ordinary course of business less the estimated costs to be incurred till completion, estimated selling expenses and related taxes.

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

12. Long-term equity investments

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

Long-term equity investments were initially recorded at initial investment cost on acquisition. For long-term equity investments acquired through the business combination of entities under common control, the initial investment cost shall be the share of carrying value of the owners' equity of the merged party at the date of combination as stated in the consolidated financial statements of the ultimate controlling party. Any difference between the initial investment cost and the carrying value of the consideration for the combination shall be dealt with by adjusting the capital reserve (if the capital reserve is insufficient for setting off the difference, such difference shall be further set off against retained earnings). For long-term equity investments acquired through the business combination of entities not under common control, the initial investment cost shall be the cost of combination (for business combinations of entities not under common control achieved in stages through multiple transactions, the initial investment cost shall be the sum of the carrying value of the equity investment in the acquired party held at the date of acquisition and new investment cost incurred as at the date of acquisition). The initial investment cost of long-term equity investments other than those acquired through business combination shall be recognised in accordance with the following: for those acquired by way of cash payments, the initial investment cost shall be the consideration actually paid plus expenses, tax amounts and other necessary outgoings directly related to the acquisition of the long-term equity investments. For long-term equity investments acquired by way of the issue of equity securities, the initial investment cost shall be the fair value of the equity securities issued.

In the financial statements of the Company, the cost method is used for long-term equity investments in investees over which the Company exercises control. Control is defined as the power exercisable over the investee, the entitlement to variable return through involvement in the activities of the investee and the ability to influence the amount of return using the power over the investee.

When the cost method is used, long-term equity investments are measured at initial cost on acquisition. When additional investments are made or investments are recouped, the cost of long-term equity investments shall be adjusted. Cash dividends or profit distribution declared by the investee shall be recognised as investment gains for the period.

The equity method is used to account for long-term equity investments when the Group can jointly control or has significant influence over the invested entity. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence means having the authority to take part in the decision over the financial and operational policies but not the authority to control or jointly control with other parties the formulation of such policies.

Under the equity method, any excess of the initial investment cost over the Company's share of the net fair value of the investment's identifiable net assets is included in the initial investment cost of the long-term equity investment. When the carrying amount of the investment is less than the Company's share of the fair value of the investment's identifiable net assets, the difference is recognised in profit or loss of the current period and debited to long-term equity investments.

Under the equity method, after the long-term equity investments are acquired, investment gains or losses and other comprehensive income are recognised according to the entitled share of net profit or loss and other comprehensive income of the investee and the carrying amount of the long-term equity investment is adjusted accordingly. When recognising the Group's share of the net profit or loss of the invested entity, the Group makes adjustments based on fair values of the investees' identifiable assets at the acquisition date in accordance with the Group's accounting policy and accounting period to investee's net profits, eliminating pro-rata profit or loss from internal transactions with associates and joint ventures attributed to investor (except that loss from inter-group transactions deemed as asset impairment loss shall be fully recognised), provided that invested or sold assets constituting businesses shall be excluded. When the invested enterprise declares profit appropriations or cash dividends, the carrying amount of investment is adjusted down by the Group's share of the profit appropriations and dividends. The Group shall discontinue recognising its share of the losses of the investee after the long-term equity investment together with any long-term interests that in substance forms part of the Group's net investment in the investee are reduced to zero, except to the extent that the Group has incurred obligations to assume additional losses. The Group also adjusts the carrying amount of long-term equity investments for other changes in owners' equity of the investees (other than the net-off of net profit or loss, other comprehensive income and profit allocation of the investee), and includes the corresponding adjustment in equity.

13. Fixed assets

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

Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the assets is considered. The cost of a purchased fixed asset generally comprises the purchase price, relevant taxes and any other directly attributable expenditure for bringing the asset to working condition for its intended use, such as transportation costs and installation costs. Where payment for purchased fixed assets is deferred beyond normal credit terms, the cost of the fixed assets is determined based on the sum of the present values of the future instalment payments. The difference between the total amount actually paid and the present value of the purchase consideration shall be recognised in profit or loss for the current period over the credit period, except for amounts eligible for capitalisation in accordance with Accounting Standard for Business Enterprises No. 17 – Borrowing Costs. Upon the Company's corporate restructuring, fixed assets contributed by state-owned shareholders are recorded at the appraised value confirmed by the state-owned asset administration authority.

The depreciation of fixed assets is accrued using the life averaging method, except for those formed by the use of safety production costs extracted. The useful lives, estimated net residual value rates and annual depreciation rates of various types of fixed assets are as follows:

	Useful lives	Estimated net residual value rates	Annual depreciation rates
Buildings and structures	20 – 40 years	–	2.50% – 5.00%
Vessels	10 – 25 years	5.00% – 10.00%	3.60% – 9.50%
Plant and equipment	5 – 20 years	–	5.00% – 20.00%
Transportation vehicles	5 years	–	20.00%
Office and electronic equipment	3 – 5 years	–	20.00% – 33.30%
Temporary facilities	2 – 3 years	–	33.30% – 50.00%

Where individual component parts of an item of fixed assets have different useful lives or provide benefits to the enterprise in different patterns, different depreciation rates are applied.

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

14. Investment properties

Investment property is property held to earn rentals or for capital appreciation or for both purposes.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Group and the cost can be measured reliably. Otherwise, they are recognised in profit or loss in the period in which they are incurred.

The Group uses the cost model for subsequent measurement of investment properties, depreciating or amortizing buildings and land use rights over their estimated useful lives and net residual values. The useful lives, estimated net residual value rates and annual depreciation/amortisation rates of investment properties are as follows:

	Useful lives	Estimated net residual value rates	Annual depreciation/ amortisation rates
Buildings and structures	30 years	–	3.33%
Land use rights	50 years	–	2.00%

When the use of an investment property is changed to self-use, the investment property is converted into fixed assets or intangible assets from the date of change. When the use of self-use property is changed to earn rentals or for capital appreciation, fixed assets or intangible assets are converted into investment property from the date of change. When conversion occurs, the book value before conversion shall be regarded as the recorded value after conversion.

The Group reviews the estimated useful life and estimated net residual value of investment property and the depreciation or amortisation methods applied at least at each financial year end, and makes adjustments if necessary.

When an investment property is disposed of or permanently withdrawn from use and no economic benefits are expected from its disposal, the recognition of the investment property is terminated. The income from disposal of investment property, after deducting its book value and relevant taxes, is included in the current profit or loss.

15. Construction in progress

Construction in progress is recognized at its actual costs. The actual costs include various necessary construction expenditures during the construction period, borrowing costs capitalized before it is ready for intended use and other relevant costs.

Construction in progress is transferred to fixed assets, intangible assets or investment properties when it is ready for intended use according to the following criteria:

	Criteria for transfer to fixed assets, intangible assets or investment properties
Buildings and structures	Commencement of actual use
Vessels	Meeting design requirements and completion of sea trials
Plant and equipment	Completion of installation and commissioning
Transportation vehicles	Obtainment of operating certificate
Software	Commencement of actual use

16. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets eligible for capitalization are capitalized, and other borrowing costs are included in the profit or loss for the period.

Capitalization of borrowing costs begins when capital expenditures and borrowing costs have been incurred and acquisition, construction or production activities necessary to bring the asset to its intended usable or saleable condition have commenced.

Capitalization of borrowing costs ceases when the assets acquired, constructed or produced that qualify for capitalization reach their intended usable or saleable condition. Borrowing costs incurred after that date are included in the profit or loss for the period.

The amount of interest capitalized for each accounting period during the capitalization period is determined as follows: For special borrowings, it shall be determined based on the interest expenses actually incurred in the current period on special borrowings, less any temporary interest income or investment returns from deposits; For general borrowings, it shall be determined based on the weighted-average amount of accumulated asset expenses in excess of the portion of special borrowings multiplied by the weighted average interest rate of the general borrowings occupied.

The capitalization of borrowing costs is suspended when there is an abnormal interruption other than that necessary to achieve the intended usable or saleable condition of the assets eligible for capitalization in the process of acquisition, construction or production, and the interruption lasts for more than three consecutive months. Borrowing costs incurred during the interruption period are recognized as an expense and included in the profit or loss for the period until the recommencement of the asset acquisition, construction or production activities.

17. Intangible assets

(1) Useful lives of intangible assets

The Group's intangible assets include land use rights, concession rights, software, trademarks, patents, proprietary technologies and copyrights, among others.

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

Intangible assets with finite useful life, other than concession rights, are amortised using the straight-line method over their useful lives. Concession rights relating to roads are amortised over the term of the concession using the traffic flow method or straight-line method. The Group reviews the useful lives and amortisation methods of intangible assets with finite useful life at least at the end of each financial year, and adjusts them where necessary.

Land use rights

Land use rights represent costs incurred for a certain lease period of land.

Concession rights

Concession rights represent intangible assets recognised during the construction period under the intangible asset model pursuant to build-operate-transfer (BOT) contracts.

Software

Software is recognised at cost, being the actual amount paid upon acquisition, and is amortised on a straight-line basis over its estimated useful life, ranging from 1 to 10 years.

Trademarks, patents, proprietary technologies, copyrights and data resources

Trademarks, patents, proprietary technologies, copyrights and data resources are recorded at the value confirmed by investors or the actual price paid, and amortised on a straight-line basis over the estimated useful life or the useful life agreed in contracts.

(2) Research and development costs

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

18. Impairment of assets

The Group determines the impairment of assets, other than the impairment of inventories, contract assets and assets related to the costs incurred in fulfilling a contract, deferred tax assets, financial assets, using the following methods:

The Group assesses at the balance sheet date whether there is any indication that the assets may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset and performs impairment testing. Goodwill arising from a business combination and an intangible asset with an indefinite useful life and intangible assets that have not been ready for intended use are tested for impairment at each year end, irrespective of whether there is any indication that the asset may be impaired.

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

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

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

The carrying amount of the related asset group or set of asset groups to which goodwill has been included is compared to its recoverable amount. If the recoverable amount is lower than the carrying amount, the amount of the impairment loss is first reduced by the carrying amount of the goodwill allocated to the asset group or set of asset groups, and then the carrying amount of other assets (other than the goodwill) within the asset group or set of asset groups, pro rata based on the carrying amount of each asset.

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

19. Long-term deferred expenses

Long-term deferred expenses represent expenses incurred in the improvements of fixed assets leased under operating leases and expenses incurred that should be borne and amortised over the current year and subsequent periods (together of more than one year). Long-term expenses are amortised using the straight-line method over the expected periods in which benefits are derived, and are stated at cost less accumulated amortisation.

20. Employee benefits

Employee benefits refer to all forms of remuneration or compensation given by the Group in exchange for service rendered by employees or for termination of employment relationship. The employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits, etc.

(1) Short-term employee benefits

The short-term employee benefits actually occurred are recognised as a liability in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the period or the cost of relevant assets.

(2) Post-employment benefits

The Group classifies post-employment benefit plans as either defined contribution plans or defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate fund and will have no obligation to pay further contributions; and defined benefit plans are post-employment benefit plans other than defined contribution plans. During the reporting period, the contributions on basic pensions and unemployment insurance, the enterprise annuity fund plan established for employees who retired after 31 December 2005 in the Group's post-employment benefits belong to defined contribution plans; the supplementary retirement benefits provided to employees who retired before 31 December 2005 belong to defined benefit plans.

Basic pensions

The Group's employees participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resource and Social Security. Monthly payments of premiums on the basic pensions are calculated according to the bases and percentage prescribed by the relevant local basic pension insurance authorities. When employees retire, the relevant local authorities are obliged to pay the basic pensions to them. The amounts based on the calculations in accordance with the above social insurance provisions are recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the period or the cost of relevant assets.

Supplementary retirement benefits

For employees who retired on or before 31 December 2005, in addition to the state-mandated insurance schemes, the Group also provides supplementary retirement benefits, which are considered to be defined benefit plans. The present value of this defined benefit plan obligation is calculated annually by an independent actuary using the expected cumulative benefit unit method based on an interest rate of government bonds of similar maturity and currency to the obligation. The net liability for the present value of the defined benefit plan obligation, less the fair value of plan assets, is shown in the balance sheet under long-term employee benefits payable. Service costs associated with the supplementary retirement benefits (including current service costs, past service costs and settlement gains or losses) and net interest based on the net defined benefit plan liability and an appropriate discount rate are included in the profit or loss or the cost of related assets for the period, and changes resulting from the remeasurement of the net defined benefit plan liability are included in other comprehensive income.

For employees who retired on or after 31 December 2005, in addition to basic pension insurance, the Group has established an enterprise annuity plan in accordance with the relevant policies of the national enterprise annuity system. The Group accrues annuities based on a certain percentage of total wages, and the corresponding expenditures are included in the profit and loss for the period.

(3) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits as liabilities and corresponding charge to profit or loss at the earlier of the following dates: when the Group cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; when the Group recognizes costs or expenses related to the restructuring that involves the payment of termination benefits.

(4) Early retirement benefits

The Group offers early retirement benefits to those employees who accept early retirement arrangements. The early retirement benefits refer to the salaries and social security contributions to be paid to and for the employees who accept voluntary retirement before the normal retirement date prescribed by the State, as approved by the management. The Group pays early retirement benefits to those early retired employees from the early retirement date until the normal retirement date. The Group accounts for the early retirement benefits in accordance with the treatment of termination benefits, in which the salaries and social security contributions to be paid to and for the early retired employees from the off-duty date to the normal retirement date are recognized as liabilities with a corresponding charge to the profit or loss for the period. The differences arising from the changes in the respective actuarial assumptions of the early retirement benefits and the adjustments of benefit standards are recognized in profit or loss for the period when they occurred.

The termination benefits expected to be paid within one year since the balance sheet date are classified as current liabilities.

21. Estimated liabilities

Except for contingent considerations and contingent liabilities assumed in a business combination involving enterprises not under common control, the Group recognizes obligations related to contingencies as accrued liabilities when the obligations are present obligations of the Group and it is probable that the performance of such obligations will result in an outflow of economic benefits from the Group and the related amount can be measured reliably.

Estimated liabilities are initially measured at the best estimate of the expenditure required to settle the related present obligation, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money as a whole. The carrying value of accrued liabilities is reviewed at the balance sheet date and adjusted appropriately to reflect the current best estimates.

The contingent liabilities of the acquiree acquired in the business combination not under common control are measured at fair value at initial recognition. After initial recognition, contingent liabilities are subsequently measured by the higher of: the amount that would be recognised based on estimated liabilities and the balance of the amount initially recognised less the cumulative amortisation determined by the revenue recognition principle.

Financial guarantee contracts that are subsequently measured at expected credit losses are presented under estimated liabilities.

22. Share-based payment

Share-based payments of the Group are the equity-settled share-based payments. Equity-settled share-based payment refers to a transaction where the Group obtains services in exchange for shares or other equity instruments as consideration.

Equity-settled share-based payments in exchange for employee services are measured at the fair value of the equity instruments granted to employees. For grants that vest immediately, the fair value is recognized on the grant date in relevant costs or expenses, with a corresponding increase in capital reserve; For grants that vest only after completion of services during the waiting period or upon meeting specified performance conditions, on each balance sheet date during the waiting period, based on the best estimate of the number of exercisable equity instruments, the services obtained in the period are recognized in relevant costs or expenses at the grant-date fair value, with a corresponding increase in capital reserve.

If the terms of an equity-settled share-based payment are modified, the services received are recognized at least as if the terms had not been modified. In addition, any modification that increases the fair value of the equity instruments granted or is otherwise beneficial to the employee on the modification date is recognized as an increase in services received.

If an equity-settled share-based payment is cancelled, it is treated as vesting on the cancellation date, and any unrecognized amount is recognized immediately. If an employee or other party can choose to meet non-vesting conditions but fails to do so during the waiting period, it is treated as a cancellation of the equity-settled share-based payment. However, if new equity instruments are granted and, on the grant date, are identified as replacements for the cancelled equity instruments, the replacement equity instruments are accounted for in the same manner as a modification of the original equity instrument's terms and conditions.

23. Other equity instruments

Perpetual bonds issued that should be classified as equity instruments are recognised in equity by the Group based on the actual amount received. Any distribution of dividends or interests during the instruments' duration is treated as profit appropriation. When the perpetual bonds are redeemed according to the contractual terms, the redemption price is charged to equity.

24. Revenue arising from contracts with customers

The Group recognises revenue when a performance obligation is satisfied, i.e. when control of the goods or services underlying the particular performance obligation is transferred to the customer. Taking control of the relevant goods or services means being able to dominate the use of the goods or the provision of the services and obtain almost all of the economic benefits from them.

(1) Construction contracts

Construction contracts between the Group and its customers usually contain a set of promises to transfer goods and services concerning engineering construction, equipment procurement, and installation. As the Group needs to integrate the above goods or services into a contractually agreed combined outputs to be transferred to customers, the Group accounts for them as separate performance obligations.

In accordance with contractual agreements and legal requirements among others, the Group provides warranty for the assets it builds. For assurance-type warranty to assure customers that the assets built meet the established standards, the Group accounts for them in accordance with Note III. 21. For a service-type warranty that provides a customer with a service in addition to the assurance that the assets built comply with agreed-upon specifications, the Group accounts for it as a separate performance obligation. On the basis of the relative proportion between the stand-alone selling price of the assets built and the service-type warranty, a portion of the transaction price is allocated to the service-type warranty and revenue is recognised when a customer obtained control of the service. When assessing whether a warranty provides a customer with a separate service in addition to the assurance that the assets built comply with agreed-upon specifications, the Group considers whether the warranty is required by law, the length of the warranty coverage period and the nature of the tasks that the Group promises to perform, etc.

The amount of consideration that the Group expects to be entitled to receive as a result of the transfer of goods to the customer is used as the transaction price, and is determined in accordance with the terms of the contract, taking into account past business practices. There are arrangements for early completion rewards in some contracts between the Group and customers, forming variable consideration. The Group determines the best estimate of the variable consideration based on the most likely amount to occur, and includes the variable consideration in the transaction price to the extent that the cumulative recognized income is unlikely to be significantly reversed when the relevant uncertainty is eliminated, and re-estimations are made on each balance sheet date.

For contracts with significant financing component, the Group determines the transaction price based on the amount payable in cash as soon as the customer obtains control of the services, and uses a discount rate that discounts the notional amount of the contractual consideration to the spot price of the goods, and amortizes the difference between the determined transaction price and the contractually committed amount of consideration over the contractual period, using the effective interest method. Where it is expected that the intervals between the customer's control over the goods and the payment by the customer will not exceed one year, the Group has not taken into account the existence of a significant financing component element in the contract.

The Group's construction contracts with customers typically include performance obligations relating to the construction of infrastructure facilities. As its customers are able to control the assets under construction in the process of performance, the Group regards them as performance obligations to be performed within a specific period and recognises their revenue based on the performance progress, unless the performance progress cannot be reasonably determined. The Group determines the performance progress of providing services using the input method and based on the cost incurred. If the performance progress cannot be reasonably determined and the cost incurred by the Group is expected to be compensated for, the revenue shall be recognised according to the amount of the cost incurred until the performance progress can be reasonably determined.

(2) Contracts for provision of services

The Group enters into contracts with customers to provide engineering design services, which represents a separate performance obligation.

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

The Group fulfils its performance obligations by providing customers with services such as engineering design. As the services provided by the Group during the performance process have an irreplaceable purpose, and the Group has the right to receive income from the accumulated performance portion completed so far throughout the entire contract period, the Group recognizes it as a performance obligation to be performed within a certain period of time, and recognizes income based on the performance progress, except for cases where the performance progress cannot be reasonably determined. When the progress of performance cannot be reasonably determined, if the Group expects to be compensated for the costs already incurred, revenue shall be recognized based on the amount of costs already incurred until the progress of performance can be reasonably determined.

(3) Contracts on sale of goods

The contracts on sale of goods entered into between the Group and its customers usually only include the performance obligations of the transferred goods. The Group usually recognises the revenue at the time of transfer of control, taking into account the following factors: obtaining the current collection rights of the goods, transfer of the key risks and rewards of the ownership of the goods, transfer of the legal ownership of the goods, transfer of physical assets of goods and customers' acceptance of the goods.

The amount of consideration that the Group expects to be entitled to receive as a result of the transfer of goods to the customer is used as the transaction price, and is determined in accordance with the terms of the contract, taking into account past business practices.

The Group provides a warranty in connection with the sale of a good in accordance with the contract and the relevant laws and regulations, etc., which is an assurance-type warranty that provides the customer with the assurance that the good complies with agreed-upon specifications, the Group accounts for the warranty in accordance with Note III. 21.

For the certain trading business, the Group, after considering the legal form of contracts and the relevant facts and circumstances (the primary responsibility for the transfer of goods to customers, the inventory risk assumed before or after the transfer of goods, whether it has the right to independently determine the price of goods to be traded, etc.), is of the opinion that the Group owns the control of the goods because it is able to dominate the use of the goods and derive almost all the economic benefits from the goods prior to the transfer of the goods to customers and is therefore the principal, and recognises the revenue on the basis of the total consideration received or receivable at the time of the delivery of the goods to customers for acceptance. For the certain trading business, the Group, after considering the legal form of contracts and the relevant facts and circumstances (the primary responsibility for the transfer of goods to customers, the inventory risk assumed before or after the transfer of goods, whether it has the right to independently determine the price of goods to be traded, etc.), is of the opinion that the Group has not obtained control of the goods before transferring the goods to the customer, it is essentially an agency sales business (that is, assisting upstream suppliers to find downstream customers to facilitate transactions and collect agency fees). The Group, as an agent, recognizes revenue at the point in time when the transaction between upstream and downstream parties is concluded and the agency service is completed in accordance with the agency fee to which it is expected to be entitled, the amount of which is determined on the basis of the net amount of the total consideration received or receivable after deducting the amount payable to other related parties.

(4) PPP project contract

A PPP project contract refers to a contract entered into between the Group and the government in accordance with laws and regulations regarding cooperation on a PPP project, which simultaneously meets the following characteristics (hereinafter referred to as the "two characteristics"):

(1) The Group uses the PPP project assets on behalf of the government to provide public goods and services during the operational period specified in the contract;

(2) The Group receives compensation for the public goods and services it provides during the period specified in the contract.

A PPP project contract shall satisfy all of the following conditions (hereinafter referred to as the "dual control"):

(1) The government controls or regulates the type, target audience and price of the public goods and services that the group is required to provide using the PPP project assets;

(2) Upon termination of the PPP project contract, the government retains a significant residual interest in the PPP project assets through ownership, revenue rights or other means.

PPP contracts typically encompass construction, operation and handover activities. During the construction phase, the Group determines whether it is the principal or an agent in accordance with the accounting policies for construction contracts set out above. If the Group is the principal, it recognises contract revenue and contract assets for the construction services accordingly, with contract revenue measured at the fair value of the consideration received or receivable. During the construction phase, the Group applies the following accounting treatments in each of the following circumstances:

(1) Where a contract provides that the Group is entitled to receive a determinable amount of cash (or other financial assets) during the project's operational period, the Group recognises the consideration amount for the relevant PPP project asset or the amount of construction revenue recognised as a contract asset prior to the Group having the right to receive such consideration (where that right is contingent solely on the passage of time); when the Group has the right to receive such consideration (where that right depends solely on the passage of time), it shall recognise the consideration amount for the relevant PPP project asset or the recognised construction revenue as a receivable, and account for it in accordance with the accounting policy for financial instruments.

(2) Where a contract provides that the Group has the right to charge fees to recipients of public goods and services, but the amount of such fees is uncertain, that right does not constitute an unconditional right to receive cash; the Group recognises the consideration received for the relevant PPP project assets, or the amount of construction revenue recognised, as an intangible asset, and accounts for it in accordance with the accounting policy for intangible assets set out above.

During the operation phase, corresponding revenue is recognised when labour services are provided; and the daily maintenance or repair costs incurred are recognised as current expenses.

The contract stipulates that the Group shall maintain service ability of the relevant infrastructure or keep it in a good condition before returning to the grantor, and the current obligations undertaken by the Group in the expenses incurred are expected to be recognised as a provision.

(5) Build and transfer contract ("BT Contract")

The activities under the BT Contract usually include building and transfer. For the construction services provided by the Group, during the construction phase, the relevant construction service contract revenue is recognised in accordance with the accounting policies of the construction contract mentioned above. The construction contract revenue is measured at the fair value of the consideration receivable and the "long-term receivable" is recognised by using the effective interest rate and measured at amortized cost, and is eliminated upon the receipt of payment from the owner.

25. Contract assets and contract liabilities

The Group presents contract assets or contract liabilities on the balance sheet according to the relationship between contractual performance obligations and customer payments. Contract assets and contract liabilities under the same contract are set off and presented on a net basis.

(1) Contract assets

The right to receive consideration following the transfer of products or services to customers which is dependent on factors other than the passage of time is recognised as contract assets before the actual payment of the contract consideration by customers or such consideration becomes due and payable. After such right to receive consideration subsequently becomes unconditional, it shall be reclassified as amount receivables.

For details of the Group's determination and accounting treatment of expected credit losses from contract assets, please refer to Note III. 10.

(2) Contract liabilities

The obligation to pass products or services to customers in connection with customer consideration received or the unconditional right to receive consideration is recognised as contract liabilities before such passing of products or services to customers.

26. Assets relating to contract cost

The Group's assets relating to contract cost mainly include the contract performance costs, presented respectively under inventories, other current assets and other non-current assets based on their liquidity.

Costs incurred by the Group for the performance of a contract are recognised as an asset as contract performance costs if they do not fall under the scope of the relevant standards for inventories, fixed assets or intangible assets but meet all the following conditions:

(1) they are directly related to a current or anticipated contract, including direct labour, direct materials, manufacturing expenses (or similar expenses), to be borne by customers as specifically stipulated, and otherwise incurred solely in connection with the contract;

(2) they will increase the resources to be utilised in the Company's future performance of its contractual obligations;

(3) they are expected to be recoverable.

The Group amortises assets relating to contract costs on the same basis as that for the recognition of revenue relating to such assets and recognises the amortised assets in current profit or loss.

For assets relating to contract costs whose carrying value is higher than the difference between the following two items, the Group makes provision for impairment for the excess to be recognised as asset impairment losses:

(1) The remaining consideration expected to be obtained as a result of the transfer of goods or services relating to such assets;

(2) Estimated costs to be incurred in connection with the transfer of relevant goods or services.

27. Government grants

A government grant is recognised when the Group can comply with the conditions attached to it and it can be received. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value; if fair value is not reliably determinable, it is measured at a nominal amount.

Pursuant to government documents, if the government grant is a compensation for constructing or forming long-term assets, the government grant is recognised as a government grant related to assets. When government documents are not stated clearly, the fundamental conditions attached to the grant should be the criterion for judgements. If the fundamental conditions attached to the grant are for constructing or forming long-term assets, the government grant is recognised as a government grant related to assets. Otherwise, the government grant is recognised as a government grant related to income.

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

A government grant related to an asset shall be recognised as deferred income, and reasonably and systematically amortised to profit or loss for the period over the useful life of the related asset. However, a government grant measured at a nominal amount is recognised immediately in profit or loss of the current period. If related assets have been sold, disposed of, scrapped or damaged, the unamortised deferred income should be recognised in profit or loss in the period of disposal of assets.

28. Deferred income tax

The Group recognises deferred income tax based on temporary differences using the balance sheet liability method. Temporary differences are differences between the carrying amount of assets or liabilities in the balance sheet and their tax base on the balance sheet date. Temporary differences also include the differences between the carrying amounts and tax bases of items not recognised as assets or liabilities where the tax base can be calculated according to the relevant tax regulations.

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

(1) where the taxable temporary differences arise from the initial recognition of goodwill, or the initial recognition of an asset or liability in a single transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or deductible tax loss, and where the assets and liabilities initially recognised do not give rise to an equal amount of taxable temporary differences and deductible temporary differences;

(2) in respect of taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

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

(1) taxable temporary differences arise from the initial recognition of an asset or liability in a single transaction that is not a business combination, and, at the time of the transaction, affect neither accounting profit nor taxable loss, and where the assets and liabilities initially recognised do not give rise to an equal amount of taxable temporary differences and deductible temporary differences;

(2) taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, where it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which such deductible temporary differences can be utilised.

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

29. Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(1) As lessee

The Group recognizes right-of-use assets and lease liabilities for leases, except for short-term leases and leases of low-value assets.

Where a contract contains both lease and non-lease components, the Group apportions the contract consideration in the relative proportion of the separate prices of each component.

At the inception of a lease term, the right to use lease assets during the lease term is recognised as right-of-use assets and is initially measured at cost. The cost of right-of-use assets includes: the initially measured amount of lease liabilities; the lease payment incurred at or prior to the lease inception date, less the lease incentive amount received where applicable; initial direct expenses incurred by the lessee; estimated cost to be incurred by the lessee for demolishing and removing lease assets, restoring the premises at which the lease assets are located or restoring the lease assets to the agreed state under the lease terms. Where the Group remeasures the lease liabilities owing to changes in the lease payment amount, the carrying value of the right-of-use assets should be adjusted accordingly. In subsequent measurement, the Group provides depreciation of the right-of-use assets using the averaging method over the lease term. Where it can be reasonably ascertained that the ownership over the lease assets can be obtained upon the conclusion of the lease term, depreciation is provided over the remaining useful life of the lease assets. Where the acquisition of the ownership over the lease assets upon the conclusion of the lease term cannot be reasonably ascertained, depreciation is provided over the lease term or the remaining useful life of the lease assets, whichever is shorter.

At the inception of the lease period, the Group recognised the present value of outstanding lease payments as lease liabilities, other than short-term leases and low-value asset lease. Lease payment amounts include fixed payments and the amount of substantial fixed payments less rental incentives, variable lease payment amounts depending on indices or ratios, estimated amounts payable based on the remaining value of guarantees, as well as amounts payable for the exercise price of buying option or termination of lease renewal option, provided that the Group reasonably ascertains that the option will be exercised or the lease period reflects that the Group will terminate the renewal option. Variable lease payments not included in lease liabilities are charged to current profit or loss as and when incurred, other than those otherwise required to be included in relevant asset cost. Where there are changes in the substantial fixed payment amount, changes in amounts payable expected of the remaining value of guarantees, changes in the index or ratio used to determine lease payment amounts, and changes in the assessment outcome relating to or actual exercise of the call option, renewal option and termination option, the Group re-measures the lease liabilities based on present value of the modified lease payment.

The Group recognizes the lease whose lease term is not more than 12 months and the lease does not include the purchase option on the commencement date of the lease term as a short-term lease. The Group recognizes the lease that is with a lower value while the single leased asset is new as a low-value lease. During each period of the lease term, the related asset costs or profit or loss for the current period are included by using the straight-line method.

(2) As lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, at the inception date and all other leases are operating leases. Where a contract contains both lease and non-lease components, the Group apportions the contract consideration in the relative proportion of the separate prices of each component.

Rent income under an operating lease is recognised on a straight-line basis over the lease term through profit or loss. Variable lease payments that are not included in the measurement of lease receivables are charged to profit or loss as incurred. Initial direct costs are capitalized and amortized over the lease term on the same basis as rental income is recognized, and are credited or charged to profit or loss in the current period.

At the inception of the lease term, finance lease receivables are recognised in respect of finance lease, while financing lease assets are derecognised. At initial measurement, the carrying value of finance lease receivables are recognised as the net amount of lease investment, which is in turn the sum of the unsecured residual value and the lease payments yet to be received at the commencement of the lease term discounted to their present value using the implicit interest rate of the lease, including initial direct expenses. Interest income over the respective periods of the lease term is computed and recognised based on fixed cyclical interest rates. Variable lease payments not included in the net amount of lease investment are charged to current profit or loss as and when incurred.

30. Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

(1) fair value hedges when hedging the exposure to variability in fair value that is either attributable to a particular risk associated with a recognised asset or liability or an unrecognised firm commitment other than foreign currency risk;

(2) cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship, the risk management objective and its risk management strategy. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness. Hedge effectiveness is the extent to which the changes in fair value or cash flows of the hedging instruments offset changes in the fair value or cash flow of hedged items caused by the hedged risk. Such hedges are assessed on an ongoing basis for their effectiveness at the initial date of designation and in subsequent periods.

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

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

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

(1) Fair value hedge

The gains or losses arising from the hedging instrument are recognised in profit or loss for the current period. If the hedging instrument hedges the non-trading equity instrument investment that is selected to be measured at fair value through other comprehensive income, the gains or losses generated by the hedging instrument are included in other comprehensive income. The gain or loss of the hedged item arising from risk exposure is recognised in profit or loss for the current period. The book value of the hedged item that is not measured at fair value is adjusted accordingly. If the hedged item is a non-trading equity instrument investment designated as measured at fair value with changes recognised in other comprehensive income, any gain or loss arising from the hedged exposure is recognised in other comprehensive income; as its carrying amount has already been measured at fair value, no adjustment is required.

For fair value hedge relating to debt instruments carried at amortised cost, the adjustments to the carrying amount of the hedged items are amortised to profit or loss over the remaining term of the hedge using the effective interest method. Amortisation using the effective interest rate may begin upon the adjustment of the carrying amount but no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. The hedged item is recognised as debt instrument at fair value through other comprehensive income. Cumulative hedge profit or loss recognised is amortised to profit or loss in the same manner, except the carrying value of the financial asset will not be adjusted. In the event of the derecognition of the hedged item, fair value unamortised shall be recognised as current profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with the corresponding gain or loss recognised in profit or loss for the current period. The fair value changes of hedging instruments are also recognised in profit or loss for the current period.

(2) Cash flow hedges

The portion of gains or losses on hedging instruments that is attributable to an effective hedge is recognised directly in other comprehensive income, whilst the portion attributable to an ineffective hedge is recognised in profit or loss for the period.

If the hedged transaction is subsequently recognised as a non-financial asset or a non-financial liability, the amount of the cash flow hedge reserve previously recognised in other comprehensive income is transferred to the initial recognised amount of that asset or liability. For other cash flow hedges, the cash flow hedge reserve recognised in other comprehensive income is transferred to profit or loss in the same period in which the expected cash flows of the hedged item affect profit or loss, such as when the expected sale takes place.

When the Group discontinues the use of hedge accounting for a cash flow hedge, if the hedged future cash flows are still expected to occur, the amounts previously recognised in other comprehensive income shall not be removed until the expected transaction actually takes place or the commitment is confirmed to have been fulfilled; if the hedged future cash flows are no longer expected to occur, the cumulative amount of the cash flow hedge reserve shall be removed from other comprehensive income and recognised in profit or loss for the period.

(3) Hedging costs

The Group separates the intrinsic value and time value of an option and designates only the changes in the option's intrinsic value as a hedging instrument; or the Group separates the forward and spot components of a forward contract and designates only the changes in the value of the spot component as a hedging instrument; or where the foreign exchange basis of a financial instrument is separated and only the financial instrument excluding the foreign exchange basis is designated as a hedging instrument, the Group recognises the portion of the changes in fair value of the time value of the option, the forward leg of the forward contract and the foreign exchange basis of the financial instrument that relates to the hedged item in other comprehensive income; If the nature of the hedged item is transaction-related, it is accounted for in the same manner as the cash flow hedge reserve; if the nature of the hedged item is time-variable, the aforementioned changes in fair value are amortised using a systematic and reasonable method over the period during which the hedged item affects profit or loss or other comprehensive income, and are transferred from other comprehensive income to profit or loss for the period.

31. Share repurchases

The consideration and transaction costs paid for the repurchase of the Company's own equity instruments are charged to shareholders' equity. The issue (including refinancing), repurchase, sale or cancellation of the Company's own equity instruments is treated as a movement in equity.

32. Safe production cost

Safe production cost provided in accordance with relevant regulations is charged to relevant product cost or current profit or loss and at the same to the special reserve. In application, it should be distinguished whether fixed assets are formed: cost of an expense nature should be directly set off against the special reserve. Cost that contributes to the formation of fixed assets should be aggregated and recognised as fixed assets when such assets arrive at the state of intended use, at which time an equivalent amount should be set off against the special reserve and cumulative depreciation of an equal value should be recognised.

33. Fair value measurement

Unless otherwise stated, the Group measures fair value in accordance with the following principles:

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

When estimating fair value, the Group takes into account the characteristics that market participants would consider when pricing the relevant assets or liabilities at the measurement date (including the condition and location of the assets, and any restrictions on their sale or use), and employs valuation techniques that are appropriate in the current circumstances and supported by sufficient available data and other information. The valuation techniques used primarily include the market approach, the income approach and the cost approach.

Assets and liabilities that are measured or disclosed at fair value in the financial statements are assigned to a fair value hierarchy based on the lowest level input that is significant to the overall fair value measurement: level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date; level 2 inputs are inputs other than level 1 inputs that are directly or indirectly observable for the related assets or liabilities; and level 3 inputs are unobservable inputs for the related assets or liabilities.

At each balance sheet date, the Group reassesses the assets and liabilities recognized in the financial statements that are measured at fair value on a continuous basis to determine whether a transition has occurred between the fair value measurement hierarchy.

34. Asset securitisation

The Group securitises certain receivables, contract assets and franchise rights (the "Trust Assets") by placing the assets in trust with a structured entity, which in turn issues senior and subordinated asset-backed securities to investors. After payment of trust tax liabilities and related expenses, the Trust Assets are used primarily to repay the principal and interest on the senior asset-backed securities; any remaining Trust Assets after full repayment of principal and interest constitute the proceeds of the subordinated asset-backed securities and are distributed to the holders of such securities.

With regard to financial asset securitisation transactions, the Group first analyses whether the structured entity should be consolidated, taking into account the subordinated interests held, the performance fees to which it is entitled, and the powers it possesses. Where the Group retains the contract right to receive cash flows from a financial asset but has assumed a contractual obligation to pay those cash flows to one or more ultimate recipients, the Group determines the relevant accounting treatment in accordance with Note III. 10, taking into account the extent to which the risks and rewards of the asset have been transferred to another entity, provided that all three of the following conditions are met; otherwise, the Group continues to recognise the transferred financial asset: the Group is obliged to pay the cash flows to the ultimate recipient only when it has received equivalent cash flows from the financial asset; the transfer agreement prohibits the Group from selling or pledging the financial asset, although the Group may use it as security for its obligation to pay cash flows to the ultimate recipient; and the Group is obliged to transfer all cash flows received on behalf of the ultimate recipient to the ultimate recipient in a timely manner and without material delay.

With regard to the securitisation of concession rights, the Group first analyses whether the structured entity should be consolidated based on the subordinated interests held, the performance-related remuneration received and the powers held. Secondly, the Group considers whether the concession rights-holding entity (the "Project Company") should be consolidated by analysing control over the Project Company in accordance with Note III. 6.

35. Significant accounting judgments and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that will affect the reported amounts and disclosure of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the balance sheet date. The outcomes of the uncertainties in relation to these assumptions and estimates would result in a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

(1) Judgements

In the process of applying the Group's accounting policies, the management has made the following judgements that have a significant impact on the amounts recognised in the financial statements:

Method for determining the performance progress for construction contracts

The input method is adopted by the Group to determine the progress of performance of construction contracts. Specifically, the construction costs actually incurred on a cumulative basis as a percentage of estimated total costs is used to ascertain progress of performance. Costs actually incurred on a cumulative basis include direct and indirect costs incurred by the Group in the course of transfer of goods to customers. The Group considers that the consideration of construction contracts entered into with customers is determined based on construction costs. The construction costs actually incurred as a percentage of estimated total costs can practically reflect the progress of performance of the construction service. As the period of validity of construction contracts is relatively long and may span over a number of accounting periods, the Group will review and revise budget as the duration of the construction contracts continues, and adjust the amount of recognised revenue accordingly.

Business model

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets. In determining the business model, the Group considers, among other things, the way the enterprise evaluates and reports the results of the financial assets to key management personnel, the risks affecting the results of the financial assets and how they are managed, and the manner in which the relevant business management personnel are remunerated. In assessing whether to target the receipt of contractual cash flows, it requires the Group's analysis and judgement as to the reasons for, timing, frequency and value of sales of financial assets prior to their maturity date.

Characteristics of contractual cash flows

The classification of a financial asset at initial recognition depends on characteristics of contractual cash flow of the financial asset, and requires judgement as to whether the contractual cash flows are solely payments of principal and interest based on the outstanding principal, whether there is a significant difference between the time value of money and the benchmark cash flows at the evaluation for the adjustment to the time value of money, and whether the fair value of financial assets with early repayment feature is minimal.

Determining whether control is exercised over a structured entity

The Group has interests in a number of structured entities that invest in infrastructure projects. The Group determines whether it exercises actual control over such structured entities primarily in accordance with China Accounting Standards for Business Enterprises No. 33–Consolidated Financial Statements. Where the Group has effective control, the Group includes the structured entity in the scope of its consolidated financial statements. Where the Group does not have actual control over the structured entity but exercises joint control with other parties, or is able to exert only significant influence over the structured entity, the Group accounts for that structured entity as a joint venture or an associate. Where the Group has neither actual control nor joint control over the structured entity and does not exert significant influence, the Group accounts for that structured entity under other non-current financial assets within non-current assets.

Where the Group acts as an asset manager within a structured entity, the Group is required to determine whether it is the principal or an agent of that structured entity, in order to assess whether it controls the structured entity and should include it within the scope of consolidation. In making this assessment and judgement, the Group takes into account a range of factors and reviews its assessment periodically, such as: the scope of the asset manager's decision-making authority; the substantive rights held by other parties; the level of remuneration received by the asset manager for providing management services; and the exposure to variable returns arising from any other arrangements.

Equity instruments

The Group's issuance of equity instruments, such as perpetual bonds, does not require settlement in the Group's own equity instruments and does not involve a contractual obligation to deliver cash or other financial assets to another party, or to exchange financial assets or financial liabilities with another party under potential adverse conditions. Consequently, the Group accounts for them as other equity instruments.

Whether the contract is or contains a lease

The Group has entered into equipment lease agreements in respect of certain construction projects. The Group considers that, under certain lease agreements, there are no identifiable assets and the asset supplier does have a substantive right of substitution in respect of the relevant equipment; therefore, these lease agreements do not constitute leases, and the Group accounts for them as the receipt of services.

Lease term – lease agreement with an option to renew

The lease term is the period during which the Group has the right to use the leased asset and the right is non-cancellable. Where the Group has a renewal option, it is reasonably certain that the option will be exercised, the lease term also includes the period covered by the renewal option. Some of the Group's lease contracts contain renewal options for the coming years. In assessing whether it is reasonable to assume that the renewal options will be exercised, the Group takes into account, on a comprehensive basis, all relevant facts and circumstances relating to the economic benefits arising from the Group exercising the renewal options, including expected changes in such facts and circumstances between the commencement date of the lease term and the date on which the option is exercised. At the commencement of the lease term, the Group considers that, as the terms and conditions of the contract for the period covered by the renewal option are more favourable than those prevailing in the market, the Group has carried out or expects to carry out significant leasehold improvements during the term of the contract, the costs associated with terminating the lease are significant, the leased asset is essential to the Group's operations, and suitable replacement assets are not readily available, and the conditions relating to the exercise of the option and the likelihood of those conditions being met are high, the Group is able to reasonably determine that it will exercise the renewal option; consequently, the lease term includes the period covered by the renewal option. After the commencement date of the lease term, where any significant event or change within the Group's control occurs that affects the Group's reasonable determination as to whether it will exercise the relevant lease renewal option, the Group will reassess whether to exercise the lease renewal option and amend the lease term in accordance with the results of that reassessment.

(2) Estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainties at the balance sheet date, such significant estimation uncertainties may result in significant adjustments to the carrying amounts of assets and liabilities in future accounting periods.

Impairment of financial instruments and contract assets

The Group uses an expected credit loss model to assess the impairment of financial instruments and contractual assets. The application of the expected credit loss model requires significant judgement and estimation, taking into account all reasonable and substantiated information, including forward-looking information. In making these judgements and estimation, the Group inferred expected changes in debtors' credit risk based on factors such as historical repayment data combined with economic policies, macroeconomic indicators and industry risks. Different estimation may affect the provision for impairment and the amount of impairment provision made may not equal the actual amount of future impairment loss.

Construction and service contracts

The recognition of revenue and cost of infrastructure construction and service contracts requires the management to make estimations. For onerous contracts, the present obligation under the contract must be recognised in the current period and measured as provisions, based on the estimated budgets and losses of the construction services. Because of the nature of the activity undertaken in construction, design and dredging businesses, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting periods. The Group continually reviews and revises the estimates of both contract revenue and contract costs in each contract budget as the contract progresses.

The Group also monitors the payment progress from customers against the contract terms, and periodically evaluates the creditworthiness of the customers. If circumstances arise that a customer would default on all or part of its payments or otherwise fail to fulfil its performance obligations under the contract terms, the Group will reassess the outcome of the relevant contract and may revise the relevant estimates. The revision will be reflected in the financial statements in the period in which the circumstances that give rise to the revision become known by the Group.

Impairment of concession rights

The Group assesses whether there are any indications of impairment of its concession rights at the balance sheet date. If there are indications of impairment, the Group will carry out an impairment test and recognise an impairment loss equal to the difference between the recoverable amount and the carrying amount. The recoverable amount of a concession right is determined as the higher of its fair value less costs to sell and its value in use. Value in use is generally determined on the basis of the present value of future cash flows over the term of the franchise, i.e. the amount obtained by discounting the estimated future cash flows expected to be generated from the continued use of the franchise, using an appropriate discount rate. The estimated future cash flows are based on the projected revenue from the provision of franchise services and other franchise income, net of necessary maintenance costs and operating expenses.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. It requires the estimation of the present value of future cash flows for the asset group or portfolio of assets to which goodwill has been allocated. In estimating the present value of future cash flows, the Group is required to estimate the future cash flows generated by the asset group or portfolio of assets and to select an appropriate discount rate to determine the present value of future cash flows.

Deferred income tax assets

Deferred income tax assets should be recognised for all unused deductible losses to the extent that it is probable that sufficient taxable income will be available against which deductible losses can be utilised. This requires significant judgement of management in estimating the timing and amount of future taxable income, combined with tax planning strategies, to determine the amount of deferred income tax assets to be recognised.

Determination of the fair value of financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value of financial instruments for which no active market exists is determined using valuation techniques. The Group selects from a range of methods at its discretion, making assumptions primarily based on prevailing market conditions at each balance sheet date.

The Group's judgements and valuation methods, which are based on market conditions at the balance sheet date, may be affected by changes in market conditions, resulting in differences from the actual results for the next financial year.

Depreciation of fixed assets

Depreciation of the Group's fixed assets is calculated on a straight-line basis over their estimated useful lives, with asset's recorded value less its estimated net residual value. The Group regularly assesses the estimated useful lives and estimated net residual values to ensure that the depreciation methods and rates are consistent with the expected pattern of realisation of economic benefits from fixed assets. The Group's estimates of the estimated useful lives and net residual values of fixed assets are based on historical experience and take into account expected technological updates. When there is a significant change in the estimated useful life and estimated net residual value, depreciation expense may have to be adjusted accordingly and therefore estimates based on current experience may differ from actual results for the next period, which may result in significant adjustments to the carrying value of fixed assets and accumulated depreciation amounts.

Supplementary benefits for retired and resigned staff

The Group assumes responsibility for the supplementary benefits payable to retired and resigned staff, namely defined benefit plan obligations. The present value of these obligations depends on a number of actuarial assumptions, including the discount rate. Any change in these assumptions will affect the carrying amount of the liability for benefits payable to retired and resigned staff.

The Group reviews the discount rate used to calculate the present value of its liabilities relating to retired and resigned staff's benefits on an annual basis. In conducting this review, the Group takes into account government bond yields that are commensurate with the currency in which the supplementary benefits for retired and resigned staff are to be paid and the period over which such payments are to be made.

Other actuarial assumptions were formulated on the basis of prevailing market conditions at the time. For further details, please refer to Note V. 41.

Incremental borrowing rate of lessee

For leases where the implicit interest rate in the lease cannot be determined, the Group uses the lessee's incremental borrowing rate as the discount rate to calculate the present value of the lease payments. In determining the incremental borrowing rate, the Group uses observable interest rates as a reference for determining the incremental borrowing rate based on the economic environment in which it operates. On this basis, the reference rate is adjusted to calculate the applicable incremental borrowing rate based on the specific circumstances of the leasing business, including its own circumstances, the subject assets, the lease term and the amount of the lease liabilities.

Share-based payments

When calculating the expenses relating to share-based incentive schemes, the Group's management is required to make estimates regarding matters such as staff turnover and vesting conditions; variations in these estimates may have a material impact on the financial statements.

36. Changes in significant accounting policies

On 19 December 2025, the Ministry of Finance issued Interpretation No. 19 of the Accounting Standards for Business Enterprises (Cai Kuai [2025] No. 32), which further standardises and clarifies the provisions on the "accounting for indemnification assets in a business combination (not under common control)", the "accounting treatment of relevant capital reserves upon the disposal of a subsidiary originally acquired through a business combination under common control", the "derecognition of financial liabilities settled using electronic payment systems", the "assessment of contractual cash flow characteristics of financial assets and related disclosures", and the "equity investments designated as at fair value through other comprehensive income", and stipulates that it shall come into effect on 1 January 2026.

On 16 June 2026, the Ministry of Finance issued Interpretation No. 20 of the Accounting Standards for Business Enterprises (Cai Kuai [2026] No. 7), which further standardises and clarifies the provisions on the "assessment of the contractual cash flow characteristics of financial assets", and the "accounting treatment and related disclosures when a currency is not exchangeable", and stipulates that it shall come into effect on the date of its publication.

The adoption of these provisions has not had a material impact on the Group's financial position and operating results.

IV. TAXATION

1. Main Types of Taxes and Tax Rates

The main types of taxes and tax rates applicable to the Company and its domestic subsidiaries are as follows:

Value-added tax (VAT)	All the Company and the domestic subsidiaries of the Company considered as general taxpayers of VAT, output VAT is calculated by applying 6%, 9% or 13% to the taxable income, less deductible input VAT of the current period; other domestic subsidiaries considered as small scale taxpayers of VAT, which is calculated by 3% to the taxable income.
	Pursuant to the Provisions on the Matters Relating to the Pilot Program of Replacing Business Tax with Value-Added Tax (《營業税改徵增值税試點有關事項的規定》) issued by the Ministry of Finance and the State Taxation Administration in 2016, the Group applies the simplified tax calculation method for old construction projects and others, with the tax payable calculated at 3% of taxable revenue.
City maintenance and construction tax	It is levied at 7%, 5% or 1% of the actually paid VAT.
Educational surcharge	It is levied at 3% of the actually paid VAT.
Enterprise income tax (EIT)	It is levied at 25% on the taxable profit, except for certain subsidiaries of the Group established in Mainland China which enjoy tax preferences and those subsidiaries incorporated outside Mainland China which are subject to local income tax regulations.
	Each of the Company and its subsidiaries calculates and pays EIT as a legal entity at the location where it is registered.
Property tax	It is levied at a tax rate of 1.2% based on 70%, 80% or 90% of the original value of the properties for ad valorem assessment; or levied at a tax rate of 12% based on rental income for rental based assessment. The Company and its subsidiaries file tax returns and pay the property tax in accordance with relevant regulations.
Land appreciation tax	The land appreciation tax is levied at the ultra progressive tax rate based on the appreciation value from the property transfer.

All foreign subsidiaries of the Company, including those in the Hong Kong Special Administrative Region and the Macau Special Administrative Region of the People's Republic of China, calculate and pay taxes according to the applicable tax types and rates required by local tax laws.

2. Tax Incentives

The entities subject to different enterprise income tax rates are as follows:

	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2026	For the six months ended 30 June 2025	
CCCC First Harbour Engineering Co., Ltd.	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026
CCCC Second Harbour Engineering Co., Ltd.	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2027
CCCC Third Harbour Engineering Co., Ltd.	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026
CCCC Fourth Harbour Engineering Co., Ltd.	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2028
CCCC First Highway Engineering Group Co., Ltd.	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026
CCCC Second Highway Engineering Co., Ltd.	15%	15%	The entity is entitled to enjoy the preferential tax policy for the Western China Development, valid until 2030
CCCC Third Highway Engineering Co., Ltd.	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026
CCCC Construction Group Co., Ltd.	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2028
Road & Bridge International Co., Ltd.	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2028
CCCC Tianjin Dredging Co., Ltd.	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2027
CCCC Highway Engineering Consultants Corporation	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2027
CCCC Shanghai Dredging Co., Ltd.	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026
CCCC Guangzhou Dredging Co., Ltd.	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2028
China Harbour Engineering Co., Ltd.	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2028
China Road and Bridge Corporation	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2028

V. NOTES TO THE MAIN ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Monetary funds

	30 June 2026	31 December 2025
	(Unaudited)	
Cash on hand	27,418,836	33,949,113
Bank deposits	183,523,509,536	146,152,860,794
Other monetary funds	4,749,272,585	4,869,530,382
Total	**188,300,200,957**	**151,056,340,289**
Including: Total amount deposited overseas	30,252,040,345	27,601,196,457

The Group's certain monetary funds deposited overseas are subject to the exchange control in relevant countries or regions and cannot be converted to foreign currencies freely or remitted out from these countries or regions. As at 30 June 2026, the proportion of the Group's monetary funds denominated in foreign currency deposited in these countries or regions to the balance of monetary funds in the Group's consolidated balance sheet was less than 3% (31 December 2025: less than 3%).

2. Financial assets held for trading

	30 June 2026	31 December 2025
	(Unaudited)	
Financial assets at fair value through profit or loss		
Debt instrument investments	1,302,334,648	425,606,912
Equity instrument investments	134,007,910	207,879,020
Total	**1,436,342,558**	**633,485,932**

For information on gains or losses from fair value changes of financial assets at fair value through profit or loss, please refer to Note V. 61.

3. Derivative financial assets

	30 June 2026	31 December 2025
	(Unaudited)	
Forward foreign exchange contracts	92,909,525	13,282,153

4. Bills receivable

(1) Bills receivable by category

	30 June 2026	31 December 2025
	(Unaudited)	
Bank acceptance bills	408,579,694	676,073,676
Commercial acceptance bills	943,682,608	1,182,399,210
Sub-total	**1,352,262,302**	**1,858,472,886**
Less: Provision for bad and doubtful debts on bills receivable	8,305,006	11,750,599
Total	**1,343,957,296**	**1,846,722,287**

(2) Disclosure by method of provision for bad and doubtful debts

	30 June 2026 (Unaudited)				
	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage	Amount	Percentage	
		(%)		(%)	
Provision for bad and doubtful debts based on credit risk characteristics	1,352,262,302	100	(8,305,006)	0.61	1,343,957,296

	31 December 2025				
	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage	Amount	Percentage	
		(%)		(%)	
Provision for bad and doubtful debts based on credit risk characteristics	1,858,472,886	100	(11,750,599)	0.63	1,846,722,287

(3) Provisions for bad and doubtful debts

The movement in the provision for bad and doubtful debts on bills receivable is as follows:

For the six months ended 30 June 2026 (unaudited)

Opening balance	Provision for the period	Reversal for the period	Closing balance
11,750,599	8,336,013	(11,781,606)	8,305,006

2025

Opening balance	Provision for the year	Reversal for the year	Closing balance
10,333,999	14,016,238	(12,599,638)	11,750,599

(4) Bills receivable that have been endorsed or discounted but have not yet matured at the balance sheet date

	30 June 2026 (Unaudited)		31 December 2025	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance bills	–	66,852,858	–	81,257,158
Commercial acceptance bills	–	191,143,890	–	234,402,341
	–	**257,996,748**	**–**	**315,659,499**

As at 30 June 2026, the Group secured a borrowing by pledging bills receivable with a carrying amount of RMB951,323,929, of which bills receivable with a carrying amount of RMB916,643,602 represented intra-group transactions that had been offset in the preparation of the consolidated financial statements (as at 31 December 2025, the Group secured a borrowing by pledging bills receivable with a carrying amount of RMB2,935,352,947, of which bills receivable with a carrying amount of RMB2,660,300,614 represented intra-group transactions that had been offset in the preparation of the consolidated financial statements).

For the transfer of bills receivable, please refer to Note X. 3.

5. Accounts receivable

The Group's accounts receivable mainly consist of receivables from the engineering contracting business.

(1) Disclosure by ageing

The following is an analysis of the ageing of accounts receivable based on the transaction date:

	30 June 2026	31 December 2025
	(Unaudited)	
Within one year	108,594,262,307	108,839,945,439
One to two years	31,478,988,522	31,363,002,811
Two to three years	18,065,411,539	17,828,390,847
Three to four years	9,858,211,496	10,236,132,932
Four to five years	6,432,363,788	5,944,515,920
Over five years	17,285,506,537	16,647,757,432
Subtotal	**191,714,744,189**	**190,859,745,381**
Less: Provisions for bad and doubtful debts of accounts receivable	33,896,220,252	33,130,930,245
Total	**157,818,523,937**	**157,728,815,136**

(2) Disclosure by provision method for bad and doubtful debts

	30 June 2026 (unaudited)				
	Book value		Provisions for bad and doubtful debts		Carrying amount
	Amount	Percentage	Amount	Percentage	
		(%)		(%)	
Provisions for bad and doubtful debts on individual assessment	7,737,166,869	4.04	(5,458,160,022)	70.54	2,279,006,847
Provisions for bad and doubtful debts based on credit risk characteristics	183,977,577,320	95.96	(28,438,060,230)	15.46	155,539,517,090
Total	**191,714,744,189**	**100.00**	**(33,896,220,252)**		**157,818,523,937**

	31 December 2025				
	Book value		Provisions for bad and doubtful debts		Carrying amount
	Amount	Percentage	Amount	Percentage	
		(%)		(%)	
Provisions for bad and doubtful debts on a case-by-case basis	7,827,622,295	4.10	(5,508,850,346)	70.38	2,318,771,949
Provisions for bad and doubtful debts based on credit risk characteristics	183,032,123,086	95.90	(27,622,079,899)	15.09	155,410,043,187
Total	**190,859,745,381**	**100.00**	**(33,130,930,245)**		**157,728,815,136**

As at 30 June 2026, the following are the key accounts receivable for which individual provisions for bad and doubtful debts have been made (unaudited):

	Book balance	Provisions for bad and doubtful debts	Expected credit loss rate	Reasons for provisions
Company A	567,328,737	(385,263,205)	67.91%	Note
Company B	512,779,981	(512,779,981)	100.00%	Note

As at 31 December 2025, the following are the key accounts receivable for which individual provisions for bad and doubtful debts have been made:

	Book balance	Provisions for bad and doubtful debts	Expected credit loss rate	Reasons for provisions
Company A	567,328,737	(385,263,205)	67.91%	Note
Company B	512,779,981	(512,779,981)	100.00%	Note

Note: The Group provides engineering construction services or sells materials to the above-mentioned customers. Due to financial difficulties, operational difficulties or default records of such customers, the Group expects that part of the accounts receivable from them will be difficult to recover, and therefore makes corresponding provisions for bad and doubtful debts.

The Group's accounts receivable for which bad and doubtful debt provisions are made based on credit risk characteristics are as follows:

	30 June 2026 (unaudited)		
	Estimated book balance in default	Expected credit loss rate	Lifetime expected credit losses
		(%)	
Within one year	108,193,502,002	1.36	(1,472,988,268)
One to two years	30,895,124,008	14.57	(4,500,732,404)
Two to three years	17,535,008,758	25.52	(4,475,456,008)
Three to four years	9,278,680,508	41.40	(3,841,403,410)
Four to five years	6,185,236,960	68.60	(4,243,134,663)
Over five years	11,890,025,084	83.30	(9,904,345,477)
Total	**183,977,577,320**		**(28,438,060,230)**

	31 December 2025		
	Estimated book balance in default	Expected credit loss rate	Lifetime expected credit losses
		(%)	
Within one year	108,405,145,011	0.82	(888,489,141)
One to two years	30,606,482,205	14.40	(4,407,042,788)
Two to three years	17,249,348,768	25.91	(4,468,738,289)
Three to four years	9,464,063,754	48.21	(4,562,163,307)
Four to five years	5,646,685,698	63.65	(3,594,205,936)
Over five years	11,660,397,650	83.20	(9,701,440,438)
Total	**183,032,123,086**		**(27,622,079,899)**

(3) Provisions for bad and doubtful debts

The movements in the provisions for bad and doubtful debts of accounts receivable are as follows:

For the six months ended 30 June 2026 (unaudited)

Opening balance	Provisions in the current period	Reversals in the current period	Write-downs/ write-offs in the current period (note)	Others	Closing balance
33,130,930,245	3,906,521,366	(3,013,935,806)	(43,070,653)	(84,224,900)	33,896,220,252

2025

Opening balance	Provisions in the current year	Reversals in the current year	Write-downs/ write-offs in the current year (note)	Others	Closing balance
28,527,870,614	10,598,803,401	(5,678,922,615)	(343,515,762)	26,694,607	33,130,930,245

Note: For the six months ended 30 June 2026, some accounts receivable were derecognized due to factoring, asset-backed securities and asset-backed notes business, and the corresponding provision for bad and doubtful debts of RMB42,471,936 (2025: RMB321,731,849) were written down.

For the six months ended 30 June 2026, there were no significant recoveries, reversals or write-offs of bad and doubtful debt provisions for accounts receivable.

(4) Accounts receivable and contract assets categorized by the top five debtors by their closing balances

As at 30 June 2026, the top five accounts receivable and contract assets are as follows (unaudited):

	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of the total closing balance of accounts receivable and contract assets	Closing balance of provisions for bad and doubtful debts of accounts receivable and provisions for impairment of contract assets
				(%)	
Company A	6,593,732	2,869,838,342	2,876,432,074	0.63	(7,581,062)
Company B	2,039,396,096	364,144,235	2,403,540,331	0.52	(770,699,713)
Company C	2,009,197,407	349,956,490	2,359,153,897	0.51	(539,022,493)
Company D	152,177,347	1,537,974,942	1,690,152,289	0.37	(12,897,258)
Company E	1,473,293,288	133,776,620	1,607,069,908	0.35	(873,927,950)
Total	**5,680,657,870**	**5,255,690,629**	**10,936,348,499**	**2.38**	**(2,204,128,476)**

For the transfer of accounts receivable, please refer to note X. 3.

As at 30 June 2026, the Group secured a borrowing by pledging accounts receivable with a carrying amount of RMB14,501,541,790, of which accounts receivable with a carrying amount of RMB9,138,889,195 represented intra-group transactions that had been offset in the preparation of the consolidated financial statements (as at 31 December 2025, the Group secured a borrowing by pledging accounts receivable with a carrying amount of RMB11,831,084,237, of which accounts receivable with a carrying amount of RMB9,094,797,319 represented intra-group transactions that had been offset in the preparation of the consolidated financial statements).

For accounts receivable for which the Group's ownership is restricted, please see note V. 26.

6. Receivables financing

(1) Classification of receivables financing

	30 June 2026	31 December 2025
	(Unaudited)	
Bank acceptance bills	1,118,975,709	1,090,608,571

(2) Receivables financing that have been endorsed or discounted but have not yet matured on the balance sheet date

	30 June 2026 (unaudited)		31 December 2025	
	Derecognized	Not derecognized	Derecognized	Not derecognized
Bank acceptance bills	78,394,147	–	392,832,406	–

For the transfer of receivables financing, please refer to note X. 3.

As at 30 June 2026, the Group secured a borrowing by pledging receivables financing with a carrying amount of RMB10,209,188,619, and such receivables financing represented intra-group transactions that were eliminated in the preparation of the consolidated financial statements (as at 31 December 2025, the Group secured a borrowing by pledging receivables financing with a carrying amount of RMB5,858,482,011, and such receivables financing represented intra-group transactions that were eliminated in the preparation of the consolidated financial statements).

7. Prepayments

(1) Prepayments presented by ageing

	30 June 2026 (unaudited)		31 December 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Within one year	23,662,079,170	89.52	17,299,006,563	84.36
One to two years	1,088,434,383	4.12	1,476,649,462	7.20
Two to three years	655,611,528	2.48	760,496,873	3.71
Over three years	1,026,607,489	3.88	968,972,810	4.73
Total	**26,432,732,570**	**100.00**	**20,505,125,708**	**100.00**

As at 30 June 2026, the amount of prepayments overdue for more than one year was RMB2,770,653,400 (31 December 2025: RMB3,206,119,145), which mainly consisted of prepayments for subcontracted work and materials. As the suppliers had not yet delivered the goods and the settlement process was not yet completed, the amount had not yet been finalized.

(2) Prepayments categorized by the top five prepayers by their closing balances

As at 30 June 2026, the sum of the top five prepayments is as follows (unaudited):

	Amount	Percentage of prepayments balance (%)
Total amount of prepayments from the top five balances	2,861,925,602	10.83

8. Other receivables

	30 June 2026	31 December 2025
	(Unaudited)	
Interests receivable	7,264,924	7,720,764
Dividends receivable	791,360,792	687,264,918
Other receivables	51,184,911,711	48,487,349,223
Total	**51,983,537,427**	**49,182,334,905**

(1) Other receivables presented by ageing

	30 June 2026	31 December 2025
	(Unaudited)	
Within one year	32,815,075,681	29,345,321,667
One to two years	6,781,469,038	7,623,672,002
Two to three years	3,568,948,509	4,111,064,650
Three to four years	3,956,302,375	3,660,383,281
Four to five years	3,003,367,072	3,203,753,273
Over five years	10,512,312,822	9,412,936,644
Subtotal	**60,637,475,497**	**57,357,131,517**
Less: Provisions for bad and doubtful debts of other receivables	9,452,563,786	8,869,782,294
Total	**51,184,911,711**	**48,487,349,223**

(2) Other receivables classified by nature

	30 June 2026	31 December 2025
	(Unaudited)	
Advances	12,718,577,496	12,417,304,957
Borrowings	13,424,934,250	11,401,585,250
Performance bond	9,363,927,868	9,101,513,864
Tender deposit	2,093,904,485	2,037,380,729
Other deposits	8,862,927,777	8,927,407,978
Reserve funds	1,431,732,661	1,259,776,650
Deposits	1,660,412,520	1,642,338,641
Receivables from equity transfer	1,288,500,152	1,131,670,084
Others	9,792,558,288	9,438,153,364
Subtotal	**60,637,475,497**	**57,357,131,517**
Less: Provisions for bad and doubtful debts of other receivables	9,452,563,786	8,869,782,294
Total	**51,184,911,711**	**48,487,349,223**

(3) Provisions for bad and doubtful debts of other receivables

30 June 2026 (unaudited)

	Book balance		Provisions for bad and doubtful debts		Book value
	Amount	Percentage	Amount	Provision ratio	
		(%)		(%)	
Provisions for bad and doubtful debts on individual assessment	5,975,176,479	9.85	(3,511,761,757)	58.77	2,463,414,722
Provisions for bad and doubtful debts based on credit risk characteristics	54,662,299,018	90.15	(5,940,802,029)	10.87	48,721,496,989
Total	**60,637,475,497**	**100.00**	**(9,452,563,786)**		**51,184,911,711**

31 December 2025

	Book balance		Provisions for bad and doubtful debts		Book value
	Amount	Percentage	Amount	Provision ratio	
		(%)		(%)	
Provisions for bad and doubtful debts on individual assessment	6,264,903,807	10.92	(3,745,895,483)	59.79	2,519,008,324
Provisions for bad and doubtful debts based on credit risk characteristics	51,092,227,710	89.08	(5,123,886,811)	10.03	45,968,340,899
Total	**57,357,131,517**	**100.00**	**(8,869,782,294)**		**48,487,349,223**

The following are other receivables for which individual provisions for bad and doubtful debts have been made:

	30 June 2026 (unaudited)				31 December 2025			
	Book balance	Provisions for bad and doubtful debts	Provision ratio	Reasons for provisions	Book balance	Provisions for bad and doubtful debts	Provision ratio	Reasons for provisions
			(%)				(%)	
Company A	595,640,069	(476,512,056)	80.00	Debtor's financial or operational irregularities	614,545,156	(491,636,124)	80.00	Debtor's financial or operational irregularities
Company B	408,302,222	(408,302,222)	100.00	Debtor's financial or operational irregularities	408,302,222	(408,302,222)	100.00	Debtor's financial or operational irregularities
Others	4,971,234,188	(2,626,947,479)	52.84		5,242,056,429	(2,845,957,137)	54.29	
Total	**5,975,176,479**	**(3,511,761,757)**			**6,264,903,807**	**(3,745,895,483)**		

As at 30 June 2026, other receivables for which bad and doubtful debt provisions were made on a portfolio basis were as follows (unaudited):

	Book balance	Impairment provisions	Provision ratio (%)
Ageing portfolio	54,662,299,018	(5,940,802,029)	10.87

The changes in bad and doubtful debt provisions for other receivables, based on the 12-month expected credit losses and the lifetime expected credit losses, respectively, are as follows:

For the six months ended 30 June 2026 (unaudited)

	Phase 1	Phase 2	Phase 3	Total
	12-month expected credit losses	Lifetime expected credit losses (no credit-impaired)	Lifetime expected credit losses (credit-impaired)	
Opening balance	529,244,795	6,602,558,655	1,737,978,844	8,869,782,294
Provisions in the current period	87,301,892	622,366,409	35,999,441	745,667,742
Reversals in the current period	(36,723,439)	(104,363,661)	(1,480,925)	(142,568,025)
Write-offs in the current period	(389,114)	(783,334)	–	(1,172,448)
Other changes	1,053,632	(19,287,759)	(911,650)	(19,145,777)
Closing balance	**580,487,766**	**7,100,490,310**	**1,771,585,710**	**9,452,563,786**

The main changes in the book balance of other receivables that affected the change in loss provisions during the period included: new corporate loans, advances and other receivables totaling RMB15,120,525,012, which increased the book balance by 26% and consequently increased the lifetime expected credit losses. The total amount of other receivables, including other deposits, derecognized during the period was RMB11,840,181,032, resulting in a 21% decrease in the book balance and a corresponding decrease in the lifetime expected credit losses.

(4) Provisions for bad and doubtful debts

The movements in the provisions for bad and doubtful debts of other receivables are as follows:

For the six months ended 30 June 2026 (unaudited)

Opening balance	Provisions in the current period	Other increases	Reversals in the current period	Write-offs in the current period	Other decreases	Closing balance
8,869,782,294	745,667,742	26,827,653	(142,568,025)	(1,172,448)	(45,973,430)	9,452,563,786

2025

Opening balance	Provisions in the current year	Other increases	Reversals in the current year	Write-offs in the current year	Other decreases	Closing balance
7,475,756,412	2,094,123,125	78,552,545	(744,130,499)	(8,809,947)	(25,709,342)	8,869,782,294

For the six months ended 30 June 2026, there were no individually significant recoveries, reversals or write-offs of bad and doubtful debts provisions for other receivables.

(5) Other receivables categorized by the top five debtors by their closing balances

As at 30 June 2026, the top five other receivables are as follows (unaudited):

	Closing balance	Percentage of the total balance of other receivables (%)	Nature	Ageing	Closing balance of provisions for bad and doubtful debts
CCCC-SHEC Sixth Engineering Co., Ltd.	2,154,620,439	3.55	Related-party loans	Within one year and one to two years	(6,213,232)
China International Water & Electric Corporation	1,490,014,567	2.46	Related-party loans	Within one year and one to two years	(125,529)
Zhaotong Expressway Investment and Development Co., Ltd.	1,375,345,442	2.27	Performance bond	Two to three years and over five years	(47,318,440)
Dalian Bay Undersea Tunnel Co., Ltd.	951,907,736	1.57	Related-party loans	Within one year and one to two years and two to three years and three to four years	(35,390,973)
Yulin CCCC Construction Investment Co., Ltd.	820,420,309	1.35	Related-party loans	Within one year and one to two years and two to three years and three to four years	(11,246,240)
Total	**6,792,308,493**	**11.20**			**(100,294,414)**

9. Inventories

(1) Classification of inventories

		30 June 2026 (Unaudited)		
		Book balance	Provision for impairment	Book value
Raw materials		14,656,497,317	(11,008,421)	14,645,488,896
Work in progress		3,198,317,268	(4,999,421)	3,193,317,847
Goods on hand		1,816,211,315	(23,741,439)	1,792,469,876
Reusable materials		3,837,339,480	–	3,837,339,480
Development costs	(a)	61,337,792,286	(619,171,355)	60,718,620,931
Products under development	(b)	38,322,866,481	(1,618,309,790)	36,704,556,691
Others		282,776,667	–	282,776,667
Total		**123,451,800,814**	**(2,277,230,426)**	**121,174,570,388**

		31 December 2025		
		Book balance	Provision for impairment	Book value
Raw materials		11,930,252,460	(10,743,214)	11,919,509,246
Work in progress		2,181,030,830	(8,051,815)	2,172,979,015
Goods on hand		1,469,591,287	(28,092,261)	1,441,499,026
Reusable materials		4,222,961,974	–	4,222,961,974
Development costs	(a)	59,698,062,472	(634,811,441)	59,063,251,031
Products under development	(b)	37,300,563,023	(1,652,422,143)	35,648,140,880
Others		236,350,771	–	236,350,771
Total		**117,038,812,817**	**(2,334,120,874)**	**114,704,691,943**

(a) The analysis of development costs is as follows:

	For the six months ended 30 June 2026	2025
	(unaudited)	
Opening balance for the period/year	59,698,062,472	59,293,823,351
Additions during the period/year	8,488,104,792	21,834,647,125
Acquisition of subsidiaries	–	261,604
Transferred in from construction in progress (Note V. 19)	183,904,925	–
Transferred out to products under development	(6,866,269,576)	(21,337,821,885)
Transferred out to construction in progress (Note V. 19)	(2,278,918)	(35,971,858)
Other decreases	(163,731,409)	(56,875,865)
Subtotal	**61,337,792,286**	**59,698,062,472**
Less: provision for impairment	619,171,355	634,811,441
Closing balance for the period/year	**60,718,620,931**	**59,063,251,031**

(b) The analysis of products under development is as follows:

	For the six months ended 30 June 2026	2025
	(unaudited)	
Opening balance for the period/year	37,300,563,023	26,045,698,688
Transferred in from development costs	6,866,269,576	21,337,821,885
Transferred in from investment properties (Note V. 17)	25,988,444	416,514,655
Transferred in from intangible assets (Note V. 21)	83,557,915	–
Acquisition of subsidiaries	–	1,225,608,083
Disposals	(5,720,698,256)	(11,146,838,842)
Transferred out to investment properties (Note V. 17)	(193,608,692)	(232,004,480)
Transferred out to fixed assets (Note V. 18)	(39,205,529)	(344,647,160)
Transferred out to intangible assets (Note V. 21)	–	(1,589,806)
Subtotal	**38,322,866,481**	**37,300,563,023**
Less: provision for impairment	1,618,309,790	1,652,422,143
Closing balance for the period/year	**36,704,556,691**	**35,648,140,880**

(2) Provision for impairment of inventories

For the six months ended 30 June 2026 (unaudited)

	Opening balance	Changes for the period				Closing balance
		Provisions	Reversals	Write-downs or write-offs	Others	
Raw materials	10,743,214	–	–	–	265,207	11,008,421
Work in progress	8,051,815	902,173	–	(2,411,813)	(1,542,754)	4,999,421
Goods on hand	28,092,261	–	(1,265)	(4,370,367)	20,810	23,741,439
Development costs	634,811,441	–	–	–	(15,640,086)	619,171,355
Products under development	1,652,422,143	–	(1,097,973)	(33,014,380)	–	1,618,309,790
Total	**2,334,120,874**	**902,173**	**(1,099,238)**	**(39,796,560)**	**(16,896,823)**	**2,277,230,426**

Net realisable value is recognized as the estimated selling price of inventory less the estimated costs to complete, the estimated selling expenses and relevant taxes. Provision for impairment of inventories is written-down when the inventory are sold or when revenue from construction contracts is recognised based on the progress of performance.

For the six months ended 30 June 2026, the Group's sources of funding for the acquisition and construction of inventories included bank borrowings; the annual capitalisation rate used to determine the amount of borrowing costs to be capitalised ranged from 2.23% to 3.50% (2025: 2.35% to 4.65%).

For inventories of the Group subject to ownership restrictions, please refer to Note V. 26.

10. Contract assets

The contract assets mainly arise from the Group's engineering contracting business. The Group provides engineering construction services in accordance with engineering contracting and construction contracts signed with customers, and recognizes revenue during the contract period based on the progress of contract performance. The Group's customers settle accounts with the Group regarding the progress of engineering construction services in accordance with the contract, and pay the project price according to the credit period stipulated in the contract after settlement. The portion of the revenue recognized by the Group based on the progress of performance that exceeds the settled amount is recognized as contract assets, and the portion of the settled amount that exceeds the revenue recognized by the Group based on the progress of performance is recognized as contract liabilities.

(1) Contract assets

	30 June 2026 (unaudited)		
	Book balance	Impairment provisions	Book value
Completed but not yet settled	242,806,236,302	(3,169,901,159)	239,636,335,143
Guarantee deposits and PPP contract assets due within one year	23,640,573,273	(173,889,715)	23,466,683,558
Total	**266,446,809,575**	**(3,343,790,874)**	**263,103,018,701**

	31 December 2025		
	Book balance	Impairment provisions	Book value
Completed but not yet settled	224,645,868,094	(2,993,672,953)	221,652,195,141
Guarantee deposits and PPP contract assets due within one year	22,012,593,867	(172,182,654)	21,840,411,213
Total	**246,658,461,961**	**(3,165,855,607)**	**243,492,606,354**

During the six months ended 30 June 2026, the performance progress of the Group's relevant construction contracts increased, and part of the performance progress has not yet been settled, resulting in an increase in the book value of the contract assets.

(2) Disclosure by provision method for impairment provisions for contract assets

	30 June 2026 (unaudited)				
	Book balance		Impairment provisions		Book value
	Amount	Percentage (%)	Amount	Provision ratio (%)	
Individual impairment provision	2,504,695,337	0.94	(766,950,824)	30.62	1,737,744,513
Provisions for impairment based on credit risk characteristics	263,942,114,238	99.06	(2,576,840,050)	0.98	261,365,274,188
Total	**266,446,809,575**	**100.00**	**(3,343,790,874)**		**263,103,018,701**

	31 December 2025				
	Book balance		Impairment provisions		Book value
	Amount	Percentage (%)	Amount	Provision ratio (%)	
Individual impairment provision	2,666,056,644	1.08	(766,071,012)	28.73	1,899,985,632
Provisions for impairment based on credit risk characteristics	243,992,405,317	98.92	(2,399,784,595)	0.98	241,592,620,722
Total	**246,658,461,961**	**100.00**	**(3,165,855,607)**		**243,492,606,354**

The contract assets for which individual impairment provisions are made are as follows:

	30 June 2026 (unaudited)				31 December 2025			
	Book balance	Impairment provisions	Provision ratio (%)	Reasons for provisions	Book balance	Impairment provisions	Provision ratio (%)	Reasons for provisions
Project 1	230,130,244	(99,759,365)	43.35	Note	228,955,843	(99,759,364)	43.57	Note
Project 2	153,710,039	(138,339,035)	90.00	Note	153,710,039	(138,339,035)	90.00	Note
Project 3	125,096,594	(46,569,392)	37.23	Note	125,096,594	(46,569,392)	37.23	Note
Project 4	48,328,342	(48,328,342)	100.00	Note	48,305,012	(48,284,003)	99.96	Note
Others	1,947,430,118	(433,954,690)	22.28	Note	2,109,989,156	(433,119,218)	20.53	Note
Total	**2,504,695,337**	**(766,950,824)**			**2,666,056,644**	**(766,071,012)**		

Note: The Group provides engineering construction services to the owners of the above projects. Due to the owners' financial constraints of such projects, the Group anticipates that some of the contracted assets will be difficult to recover and has made impairment provisions.

The following is a breakdown of contract assets for which impairment provisions are made on a portfolio basis:

30 June 2026 (unaudited)

	Book balance	Impairment provisions	Provision ratio (%)
Credit risk portfolio	263,942,114,238	(2,576,840,050)	0.98

31 December 2025

	Book balance	Impairment provisions	Provision ratio (%)
Credit risk portfolio	243,992,405,317	(2,399,784,595)	0.98

(3) Impairment provisions for contract assets

For the six months ended 30 June 2026 (unaudited)

	Opening balance	Provisions in the current period	Reversals in the current period	Other changes	Closing balance
Completed but not yet settled	2,993,672,953	482,480,994	(318,160,255)	11,907,467	3,169,901,159
Guarantee deposits and PPP contract assets due within one year	172,182,654	8,327,689	(6,620,628)	–	173,889,715
Total	**3,165,855,607**	**490,808,683**	**(324,780,883)**	**11,907,467**	**3,343,790,874**

2025

	Opening balance	Provisions in the current year	Reversals in the current year	Other changes	Closing balance
Completed but not yet settled	2,426,941,094	1,363,545,955	(818,431,852)	21,617,756	2,993,672,953
Guarantee deposits and PPP contract assets due within one year	141,279,993	67,280,442	(36,299,290)	(78,491)	172,182,654
Total	**2,568,221,087**	**1,430,826,397**	**(854,731,142)**	**21,539,265**	**3,165,855,607**

For the six months ended 30 June 2026, there were no individually significant recoveries, reversals or write-offs of impairment provisions for contract assets.

11. Other current assets

	30 June 2026 (Unaudited)	31 December 2025
Prepaid tax and input tax to be deducted	32,969,326,231	28,874,815,413
Others	4,127,029,259	244,984,643
Total	**37,096,355,490**	**29,119,800,056**

12. Debt investments

(1) Debt investments

	30 June 2026 (unaudited)		
	Book balance	Impairment provisions	Book value
Investments in treasury bonds	233,316,984	–	233,316,984
Investments in corporate bonds	1,018,603,937	(15,150,000)	1,003,453,937
Subtotal	**1,251,920,921**	**(15,150,000)**	**1,236,770,921**
Less: Debt investments due within one year	118,631,194	–	118,631,194
Total	**1,133,289,727**	**(15,150,000)**	**1,118,139,727**

	31 December 2025		
	Book balance	Impairment provisions	Book value
Investments in treasury bonds	185,750,932	–	185,750,932
Investments in corporate bonds	355,171,507	–	355,171,507
Total	**540,922,439**	**–**	**540,922,439**

(2) Significant debt investments

In 2025 and 2026, the Group had no individually significant debt investments.

As at 30 June 2026, the coupon annual interest rate of treasury bonds invested by the Group ranged from 0% to 12.24% (31 December 2025: 1.8% to 12.24%), and the coupon annual interest rate of corporate bonds invested by the Group ranged from 1.94% to 3.55% (31 December 2025: 2.4% to 3.49%).

13. Long-Term Receivables

(1) Long-term receivables

	30 June 2026	31 December 2025
	(Unaudited)	
Receivables for construction	261,417,055,247	232,982,681,560
Receivables from PPP projects and BT projects	45,185,988,115	46,546,151,320
Primary land development projects	50,001,282,275	47,769,918,878
Long-term borrowings receivables	34,428,091,822	34,693,667,028
Performance bond receivable	7,295,143,583	6,478,014,591
Others	14,736,811,278	15,315,861,473
Subtotal	**413,064,372,320**	**383,786,294,850**
Less: Provision for bad and doubtful debts of long-term receivables	8,381,385,096	8,000,246,190
Subtotal	**404,682,987,224**	**375,786,048,660**
Less: Long-term receivables due within one year	106,192,846,097	100,418,062,562
Total	**298,490,141,127**	**275,367,986,098**

	30 June 2026 (Unaudited)			31 December 2025		
	Book balance	Provision for bad and doubtful debts	Carrying amount	Book balance	Provision for bad and doubtful debts	Carrying amount
Receivables for construction	261,417,055,247	(6,219,826,078)	255,197,229,169	232,982,681,560	(5,842,260,142)	227,140,421,418
Receivables from PPP projects and BT projects	45,185,988,115	(532,573,696)	44,653,414,419	46,546,151,320	(561,012,449)	45,985,138,871
Primary land development projects	50,001,282,275	(324,066,146)	49,677,216,129	47,769,918,878	(317,003,328)	47,452,915,550
Long-term borrowings receivables	34,428,091,822	(730,988,325)	33,697,103,497	34,693,667,028	(708,809,962)	33,984,857,066
Performance bond receivable	7,295,143,583	(153,058,864)	7,142,084,719	6,478,014,591	(147,996,921)	6,330,017,670
Others	14,736,811,278	(420,871,987)	14,315,939,291	15,315,861,473	(423,163,388)	14,892,698,085
Total (including long-term receivables due within one year)	**413,064,372,320**	**(8,381,385,096)**	**404,682,987,224**	**383,786,294,850**	**(8,000,246,190)**	**375,786,048,660**

(2) Accrued provision for bad and doubtful debts

Changes in the provision for bad and doubtful debts for long-term receivables, calculated separately based on expected credit loss in the next 12 months and expected credit loss over the lifetime, are as follows (Unaudited):

	First stage	Second stage	Third stage	Total
	Expected credit loss in the next 12 months	Expected credit loss over the lifetime (not credit-impaired)	Credit-impaired financial assets (credit-impaired)	
Opening balance	3,199,376,393	3,865,030,353	935,839,444	8,000,246,190
Provision for the period	1,138,087,110	160,204,281	97,007	1,298,388,398
Reversal for the period	(682,330,230)	(116,465,962)	(1,509,818)	(800,306,010)
Write-downs for the period	(56,460,654)	–	–	(56,460,654)
Other changes	(57,531,811)	(2,951,017)	–	(60,482,828)
Closing balance	**3,541,140,808**	**3,905,817,655**	**934,426,633**	**8,381,385,096**

(3) Provision for bad and doubtful debts

For the six months ended 30 June 2026 (Unaudited)

Opening balance	Provision for the period	Other increase	Reversal for the period	Write-downs for the period	Other decrease	Closing balance
8,000,246,190	1,298,388,398	4,246,797	(800,306,010)	(56,460,654)	(64,729,625)	8,381,385,096

2025

Opening balance	Provision for the year	Other increase	Reversal for the year	Write-offs for the year	Other decrease	Closing balance
7,348,960,778	2,695,377,212	61,574,729	(1,774,450,504)	(274,900,977)	(56,315,048)	8,000,246,190

14. Long-term equity investments

	30 June 2026 (Unaudited)	31 December 2025
Joint ventures (1)	53,953,194,480	54,856,288,671
Associates (2)	54,012,381,701	54,775,520,900
Subtotal	**107,965,576,181**	**109,631,809,571**
Less: Provision for impairment of long-term equity investments	295,733,606	295,733,606
Total	**107,669,842,575**	**109,336,075,965**

(1) Joint ventures

		For the six months ended 30 June 2026 (unaudited)								
					Changes for the period					
	Cost of investment	Opening carrying amount	Opening impairment provision	Additional investment or disposal of investment	Share of profit or loss under equity method	Transfer from subsidiaries to joint ventures/ (transfer from joint ventures to subsidiaries)	Cash dividends declared	Others	Closing carrying amount	Closing impairment provision
CCCC Xinjiang Transportation Investment and Development Co., Ltd.* (中交新疆交通投資發展有限公司)	5,269,316,757	5,300,214,758	-	-	534,037	-	-	55,057	5,300,803,852	-
Mota-Engil,SGPS,S.A.	1,774,205,009	2,787,474,789	-	(113,454,806)	98,713,306	-	(132,323,317)	(162,161,051)	2,478,248,921	-
CCCC Jijiao Expressway Investment and Development Co., Ltd.* (中交建冀交高速公路投資發展有限公司)	3,492,367,441	2,424,087,640	-	91,095,323	25,262,725	-	-	-	2,540,445,688	-
Chengdu Jinjiang Greenway Construction Investment Group Co., Ltd.* (成都錦江綠道建設投資集團有限公司)	1,950,000,000	2,028,652,864	-	-	3,066,207	-	-	-	2,031,719,071	-
Chongqing Yuxiang Double Line Expressway Co., Ltd.* (重慶渝湘復線高速公路有限公司)	2,484,399,948	1,867,129,485	-	-	(348,120)	-	-	-	1,866,781,365	-
CORE/Related Grand Ave JV, LLC	2,932,543,313	1,622,426,139	-	-	(247,041,589)	-	-	(47,184,588)	1,328,199,962	-
Guizhou Gujijn Expressway Co., Ltd.* (貴州貴金高速公路有限公司)	1,999,431,099	1,699,895,398	-	-	(75,339,376)	-	-	-	1,624,556,022	-
Guizhou Zhongjiao Jianrong Expressway Co., Ltd.* (貴州中交劍榕高速公路有限公司)	2,621,823,000	1,479,523,152	-	-	(111,855,361)	-	-	-	1,367,667,791	-
Guizhou Guihuang Expressway Co., Ltd. *(貴州貴黃高速公路有限公司)	2,142,465,000	1,485,359,317	-	-	(7,787,352)	-	-	-	1,477,571,965	-
CCCC Chengdu Rail Transit Investment and Construction Co., Ltd.* (中交成都軌道交通投資建設有限公司)	1,311,966,600	1,426,221,438	-	-	36,766,505	-	-	-	1,462,987,943	-
Guangxi Pingcen Expressway Co., Ltd.* (廣西平岑高速公路有限公司)	1,376,121,900	1,312,630,133	-	-	1,684,766	-	-	-	1,314,314,899	-
Tangshan Quanyu Water Control Ecological Construction Group Co., Ltd.* (唐山全域治水生態建設集團有限公司)	1,699,909,667	1,393,584,826	-	-	201,012	-	-	-	1,393,785,838	-
Others		29,737,555,126	291,533,606	1,062,881,488	(172,216,975)	(1,026,798,183)	(72,214,992)	(54,628,907)	29,474,577,557	291,533,606
Total		**54,564,755,065**	**291,533,606**	**1,040,522,005**	**(448,360,215)**	**(1,026,798,183)**	**(204,538,309)**	**(263,919,489)**	**53,661,660,874**	**291,533,606**

(2) Associates

		For the six months ended 30 June 2026 (unaudited)								
					Changes for the period					
	Cost of investment	Opening carrying amount	Opening impairment provision	Additional investment or disposal of investment	Share of profit or loss under equity method	Transfer from subsidiaries to associates/ (transfer from associates to subsidiaries)	Cash dividends declared	Others	Closing carrying amount	Closing impairment provision
Shanghai Zhenhua Heavy Industries Co., Ltd. ("ZPMC")	4,349,005,388	4,510,400,081	–	–	81,826,036	–	–	(10,997,696)	4,581,228,421	–
China State-owned Enterprise Structural Adjustment Fund Phase II Co., Ltd.* (中國國有企業結構調整基金二期股份有限公司)	2,516,246,400	2,641,318,616	–	–	73,610,015	–	–	–	2,714,928,631	–
TaiYuan-ZhongWei-YinChuan Railway Co., Ltd.	2,000,000,000	2,154,076,487	–	–	18,594,363	–	(27,925,207)	4,684,758	2,149,430,401	–
Hainan Jiaotou Huandao Tourism Highway Investment and Development Co., Ltd.* (海南交投環島旅遊公路投資開發有限公司)	1,931,380,000	1,933,627,953	–	–	197,328	–	–	–	1,933,825,281	–
Yongding River Investment Co., Ltd.	1,806,000,000	1,814,471,908	–	–	2,170,987	–	–	–	1,816,642,895	–
Jiangsu Zhangjinggao Bridge Co., Ltd.* (江蘇張靖皋大橋有限責任公司)	1,497,197,342	1,667,679,517	–	–	(20,868)	–	–	–	1,667,658,649	–
Shandong Hi-Speed Zhanlin Expressway Co., Ltd. *(山東高速沾臨高速公路有限公司)	1,467,000,000	1,401,922,316	–	–	(15,153,158)	–	–	–	1,386,769,158	–
CCCC Xinsheng Gui'an New District Real Estate Co., Ltd.* (中交鑫盛貴安新區置業有限公司)	1,690,000,000	1,308,354,608	–	–	30,971,536	–	–	–	1,339,326,144	–
Yunnan Huali Expressway Investment and Development Co., Ltd.* (雲南華麗高速公路投資開發有限公司)	1,919,741,751	1,301,540,392	–	310,000,000	(58,180,704)	–	–	–	1,553,359,688	–
Others		36,037,929,022	4,200,000	(108,429,065)	180,734,587	(934,433,629)	(257,069,750)	(53,718,732)	34,865,012,433	4,200,000
Total		**54,771,320,900**	**4,200,000**	**201,570,935**	**314,750,122**	**(934,433,629)**	**(284,994,957)**	**(60,031,670)**	**54,008,181,701**	**4,200,000**

15. Other equity instrument investments

(1) Other equity instrument investments

	Opening balance	Gains recognized in other comprehensive income for the period	Losses recognized in other comprehensive income for the period	Cumulative gains recognized in other comprehensive income	Cumulative losses recognized in other comprehensive income	Dividend income for the period	Closing balance
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
China Merchants Bank Co., Ltd.	16,692,762,702	–	(2,616,917,668)	12,703,148,433	–	582,269,281	14,075,845,034
China Merchants Securities Co., Ltd.	3,084,630,066	826,769,837	–	3,459,139,251	–	83,233,107	3,911,399,903
Lunan High Speed Railway Co., Ltd.	1,166,513,980	–	–	–	(224,007,332)	(203,011)	1,166,513,980
Yutong Bus Co., Ltd.	1,336,945,778	–	(240,813,781)	1,016,946,189	–	81,770,384	1,096,131,997
Shandong Hi-Speed Zilin Expressway Co., Ltd.	705,475,271	–	–	42,912,371	–	–	705,475,271
Beijing CEDC Ltd.	435,726,300	–	–	232,514,866	–	–	435,726,300
Jiangsu Xitai Tunnel Co., Ltd.	383,648,415	–	–	–	–	–	383,648,415
Others	3,144,913,653	35,232,518	(95,977,887)	188,377,539	(1,444,959,000)	7,792,882	3,300,052,797
Total	**26,950,616,165**	**862,002,355**	**(2,953,709,336)**	**17,643,038,649**	**(1,668,966,332)**	**754,862,643**	**25,074,793,697**

(2) Derecognition of other equity instrument investments

	Fair value upon derecognition	Accumulated gains transferred to retained earnings upon derecognition	Accumulated losses transferred to retained earnings upon derecognition	Reason for derecognition
Datang International Power Generation Co., Ltd.	55,933,785	9,831,785	–	Disposal
China Development Bank Financial Leasing Co., Ltd.	52,401,849	–	(12,453,346)	Disposal
Others	12,404,828	–	(2,769,172)	Disposal
Total	**120,740,462**	**9,831,785**	**(15,222,518)**	

Note: The above investment in other equity instruments are held by the Group for non-trading purposes and are designated as investments at fair value through other comprehensive income.

16. Other non-current financial assets

	30 June 2026	31 December 2025
	(Unaudited)	
Structured products (note 1)	15,137,348,231	15,357,667,229
Equity interests in unlisted companies	5,004,591,791	4,768,299,040
REITs fund units (note 2)	6,990,674,657	6,244,619,930
Future subscription rights and options (note 3)	630,416,597	1,007,564,138
Total	**27,763,031,276**	**27,378,150,337**

Note 1: Certain subsidiaries of the Company indirectly invest in joint-venture and associate project companies by purchasing fund and trust units. For detailed information on such investment at fair value through profit or loss, please refer to note VIII. 3.

Note 2: Certain subsidiaries of the Company have acquired certain REITs fund units. As at 30 June 2026, the fair value of such REITs fund units was RMB6,990,674,657 (31 December 2025: RMB6,244,619,930).

Note 3: This item mainly comprises: certain subsidiaries of the Company transfer part of their equity interests in project companies to third parties, and enter into agreements with such third-party shareholders to obtain rights to purchase the underlying equity interests from those third-party shareholders under certain conditions in the future (the "Future Subscription Rights"). As at 30 June 2026, the fair value of such Future Subscription Rights was RMB470,612,171 (31 December 2025: RMB731,286,761).

17. INVESTMENT PROPERTIES

(1) Investment properties under cost method

For the six months ended 30 June 2026 (Unaudited)

	Buildings and structures	Land use rights	Total
Original costs			
Opening balance	11,654,187,776	2,775,536,718	14,429,724,494
Transferred in from fixed assets (Note V. 18)	1,073,690,750	–	1,073,690,750
Transferred in from construction in progress (Note V. 19)	555,356,298	–	555,356,298
Transferred in from intangible assets (Note V. 21)	–	491,388,721	491,388,721
Transferred in from inventories (Note V. 9)	193,608,692	–	193,608,692
Transferred out to fixed assets (Note V. 18)	(489,025,841)	–	(489,025,841)
Transferred out to inventories (Note V.9)	(29,792,421)	–	(29,792,421)
Others	(84,707,449)	(47,430,376)	(132,137,825)
Closing balance	**12,873,317,805**	**3,219,495,063**	**16,092,812,868**
Accumulated depreciation			
Opening balance	(1,919,732,986)	(617,301,905)	(2,537,034,891)
Provision	(254,151,406)	(21,099,772)	(275,251,178)
Transferred in from fixed assets (Note V. 18)	(84,001,867)	–	(84,001,867)
Transferred in from intangible assets (Note V. 21)	–	(36,589,619)	(36,589,619)
Transferred out to fixed assets (Note V. 18)	56,171,299	–	56,171,299
Transferred out to inventories (Note V. 9)	3,803,977	–	3,803,977
Others	36,677,242	9,198,730	45,875,972
Closing balance	**(2,161,233,741)**	**(665,792,566)**	**(2,827,026,307)**
Carrying amount			
Closing balance	**10,712,084,064**	**2,553,702,497**	**13,265,786,561**
Opening balance	**9,734,454,790**	**2,158,234,813**	**11,892,689,603**

(2) The investment properties without certificates of title are as follows (Unaudited):

	Carrying amount	Reasons for incomplete title certificate
Buildings and structures	249,726,293	In process

18. FIXED ASSETS

(1) Fixed assets (Unaudited)

	Buildings and structures	Vessels	Transportation vehicles	Plant and equipment	Office and electronic equipment	Temporary facilities	Total
Original costs							
Opening balance	34,445,898,731	43,116,962,333	6,987,874,314	41,787,311,997	4,519,201,573	8,921,410,230	139,778,659,178
Increase during the period							
Additions	12,308,310	145,088,695	311,377,443	740,848,279	120,547,301	204,380,496	1,534,550,524
Transferred in from construction in progress (Note V. 19)	491,502,237	95,014,948	37,267,814	263,362,073	12,202,761	63,843,370	963,193,203
Transferred in from investment properties (Note V. 17)	489,025,841	–	–	–	–	–	489,025,841
Transferred in from inventories (Note V. 9)	39,205,529	–	–	–	–	–	39,205,529
Others	13,279,193	–	35,388,037	18,939,433	7,012,596	2,575,066	77,194,325
Subtotal	**1,045,321,110**	**240,103,643**	**384,033,294**	**1,023,149,785**	**139,762,658**	**270,798,932**	**3,103,169,422**
Decrease during the period							
Disposal and retirement	(179,704,175)	(264,288,808)	(118,998,227)	(609,186,949)	(41,480,431)	(423,066,676)	(1,636,725,266)
Transferred out to investment properties (Note V. 17)	(1,073,690,750)	–	–	–	–	–	(1,073,690,750)
Transferred out to construction in progress (Note V. 19)	–	–	(7,667,257)	(2,150,442)	–	–	(9,817,699)
Others	(134,798,862)	(53,286,225)	(75,855,315)	(223,363,015)	(24,720,113)	(46,658,092)	(558,681,622)
Subtotal	**(1,388,193,787)**	**(317,575,033)**	**(202,520,799)**	**(834,700,406)**	**(66,200,544)**	**(469,724,768)**	**(3,278,915,337)**
Closing balance	**34,103,026,054**	**43,039,490,943**	**7,169,386,809**	**41,975,761,376**	**4,592,763,687**	**8,722,484,394**	**139,602,913,263**

	Buildings and structures	Vessels	Transportation vehicles	Plant and equipment	Office and electronic equipment	Temporary facilities	Total
Accumulated depreciation							
Opening balance	(8,988,858,383)	(22,311,905,869)	(5,676,567,162)	(26,254,006,003)	(3,140,691,924)	(7,955,088,657)	(74,327,117,998)
Increase during the period							
Provision	(538,132,129)	(766,155,558)	(309,591,850)	(1,750,005,840)	(229,871,856)	(287,814,275)	(3,881,571,508)
Transferred in from investment properties (Note V. 17)	(56,171,299)	–	–	–	–	–	(56,171,299)
Others	(7,054,240)	–	(30,518,478)	(9,248,985)	(6,287,500)	(10,004,246)	(63,113,449)
Subtotal	**(601,357,668)**	**(766,155,558)**	**(340,110,328)**	**(1,759,254,825)**	**(236,159,356)**	**(297,818,521)**	**(4,000,856,256)**
Decrease during the period							
Disposal and retirement	133,033,232	144,727,309	113,324,820	570,248,841	38,758,128	423,049,594	1,423,141,924
Transferred out to investment properties (Note V. 17)	84,001,867	–	–	–	–	–	84,001,867
Transferred out to construction in progress (Note V. 19)	–	–	3,705,840	788,496	–	–	4,494,336
Others	57,347,444	32,062,396	57,140,493	165,724,285	18,222,155	31,708,157	362,204,930
Subtotal	**274,382,543**	**176,789,705**	**174,171,153**	**736,761,622**	**56,980,283**	**454,757,751**	**1,873,843,057**
Closing balance	**(9,315,833,508)**	**(22,901,271,722)**	**(5,842,506,337)**	**(27,276,499,206)**	**(3,319,870,997)**	**(7,798,149,427)**	**(76,454,131,197)**

	Buildings and structures	Vessels	Transportation vehicles	Plant and equipment	Office and electronic equipment	Temporary facilities	Total
Impairment provisions							
Opening balance	(298,073,098)	(3,442,834)	(260,405)	(76,315,134)	(1,690,111)	–	(379,781,582)
Increase during the period							
Provision	(5,073,746)	(40,803,190)	–	–	–	–	(45,876,936)
Others	–	–	–	(784,107)	–	–	(784,107)
Subtotal	**(5,073,746)**	**(40,803,190)**	**–**	**(784,107)**	**–**	**–**	**(46,661,043)**
Decrease during the period							
Disposal and retirement	3,852,982	–	295	1,197,247	101,683	–	5,152,207
Others	698,858	317,689	–	636,479	52	–	1,653,078
Subtotal	**4,551,840**	**317,689**	**295**	**1,833,726**	**101,735**	**–**	**6,805,285**
Closing balance	**(298,595,004)**	**(43,928,335)**	**(260,110)**	**(75,265,515)**	**(1,588,376)**	**–**	**(419,637,340)**
Carrying amount							
Closing balance	**24,488,597,542**	**20,094,290,886**	**1,326,620,362**	**14,623,996,655**	**1,271,304,314**	**924,334,967**	**62,729,144,726**
Opening balance	**25,158,967,250**	**20,801,613,630**	**1,311,046,747**	**15,456,990,860**	**1,376,819,538**	**966,321,573**	**65,071,759,598**

(2) Fixed assets under operating leases (Unaudited)

	Vessels	Plant and equipment	Total
Original costs			
Opening balance	2,360,333,415	2,662,230,071	5,022,563,486
Increase during the period	–	175,880,627	175,880,627
Decrease during the period	(1,878,609,988)	(258,069,988)	(2,136,679,976)
Closing balance	**481,723,427**	**2,580,040,710**	**3,061,764,137**
Accumulated depreciation			
Opening balance	(1,038,751,822)	(934,801,437)	(1,973,553,259)
Increase during the period	(8,514,901)	(241,137,998)	(249,652,899)
Decrease during the period	981,730,900	149,649,804	1,131,380,704
Closing balance	**(65,535,823)**	**(1,026,289,631)**	**(1,091,825,454)**
Carrying amount			
Closing balance	**416,187,604**	**1,553,751,079**	**1,969,938,683**
Opening balance	**1,321,581,593**	**1,727,428,634**	**3,049,010,227**

(3) Fixed assets without certificates of title

As at 30 June 2026, the fixed assets without certificates of title are as follows (Unaudited):

	Carrying amount	Reasons for incomplete title certificate
Buildings and structures	1,787,971,577	In process

For fixed assets for which the Group's ownerships are restricted, please see Note V. 26.

19. CONSTRUCTION IN PROGRESS

(1) Construction in progress

	30 June 2026 (Unaudited)			31 December 2025		
	Book balance	Impairment provisions	Carrying amount	Book balance	Impairment provisions	Carrying amount
Construction in progress	15,915,973,528	(55,854,772)	15,860,118,756	14,396,394,140	(55,156,910)	14,341,237,230

(2) Changes in significant construction in progress (Unaudited)

	Construction and installation budget (RMB'0000)	Opening balance	Acquisition and construction	Transferred in from fixed assets	Transferred in from inventories	Transferred in from intangible assets	Other increase	Transferred out to fixed assets	Transferred out to inventories	Transferred out to investment properties	Transferred out to intangible assets	Other decrease	Closing balance	Source of funds	Proportion of investment to budget
	(Note)			(Note V. 18)	(Note V. 9)	(Note V. 21)		(Note V. 18)	(Note V. 9)	(Note V. 17)	(Note V. 21)				(Note)
CCCC Fourth Harbour Southern Headquarters Base	509,020	99,914,223	12,874,985	-	-	-	-	-	-	-	-	-	112,789,208	Self financing and borrowings	76%
Tianhe Shield Machine	200,000	477,292,128	-	-	-	-	-	(31,264,185)	-	-	-	-	446,017,943	Self financing	95%
Construction Project of CCCC Intelligence Transportation Big Data Industrial Cluster in Tianjin	240,000	553,763,124	32,505,819	-	-	-	4,258,791	-	(183,904,925)	(406,622,809)	-	-	-	Borrowings	25%
Project of Gneiss Mine for Construction at Dalingshan Ore Block, Fenghuangling Mining Area, Xitou Town, Yangxi County, Guangdong Province	250,848	1,219,624,667	280,338,701	-	-	-	-	-	-	-	-	-	1,499,963,368	Self financing and borrowings	60%
Rashakai Special Economic Zone Project	81,609	110,004,798	-	-	-	-	-	-	-	-	-	(6,163,933)	103,840,865	Borrowings	81%
Lüshun New Port Expansion Project	208,685	1,689,371,448	4,556,825	-	-	-	-	-	-	-	-	-	1,693,928,273	Self financing and borrowings	81%
Yangjiang Mine Project	204,832	338,040,062	148,063,090	-	-	87,216,288	-	-	-	-	-	-	573,319,440	Self financing and borrowings	28%
Construction of Mines and Special Roads for Mines	182,739	258,740,981	126,513,848	-	-	-	-	-	-	-	-	-	385,254,829	Self financing and borrowings	21%
Mineral Resource Exploitation Project	162,400	310,323,554	148,648,896	-	-	-	-	-	-	-	-	-	458,972,450	Self financing and borrowings	28%
4,000 t/d Clinker New Dry Process Cement Production Line Capacity Replacement Project	148,000	284,065,618	102,021,666	-	-	-	359,212	-	-	-	-	-	386,446,496	Self financing	26%
Yangxi Mine	51,279	146,557,522	72,403,393	-	-	-	-	-	-	-	-	-	218,960,915	Self financing	43%
Construction of 30,000m³ Trailing Suction Hopper Dredger of CCCC Tianjin Dredging	139,370	755,415,511	119,978,555	-	-	-	-	-	-	-	-	-	875,394,066	Borrowings	63%
Supervision and Construction Project Team for 30,000 m³ Trailing Suction Hopper Dredger of CCCC Guangzhou Dredging	150,000	718,755,900	152,336,495	-	-	-	-	-	-	-	-	-	871,092,395	Self financing	58%
CCCC Chongqing Cold Chain Smart Industrial Park Project	120,000	351,096,991	15,473,353	-	-	-	-	(366,570,344)	-	-	-	-	-	Self financing and borrowings	77%
Guangzhou Tianhe Cold Chain Logistics Base Project	143,400	122,708,507	8,971,519	-	-	-	-	-	-	-	-	-	131,680,026	Self financing	9%
CCCC Hemei New Town	141,923	787,813,360	60,115,422	-	-	-	-	-	-	-	-	-	847,928,782	Borrowings	60%
Circular Economy Industrial Construction Project of Longnan Qilianshan Cement Co., Ltd.* (隴南祁連山水泥有限公司)	149,390	366,706,097	247,996,722	-	-	-	163,697	-	-	-	-	(698,742)	614,167,774	Self financing	41%
25,000m³ Trailing Suction Hopper Dredger Project	100,000	581,636,824	186,235,424	-	-	-	-	-	-	-	-	-	767,872,248	Self financing	77%
Others		5,224,572,825	1,597,670,862	5,323,363	2,278,918	-	1,052,729	(565,358,674)	-	(148,733,489)	(12,336,210)	(176,125,874)	5,928,344,450		
Subtotal		**14,396,394,140**	**3,316,705,575**	**5,323,363**	**2,278,918**	**87,216,288**	**5,834,429**	**(963,193,203)**	**(183,904,925)**	**(555,356,298)**	**(12,336,210)**	**(182,988,549)**	**15,915,973,528**		
Less: Provision for impairment of construction in progress		(55,156,910)											(55,854,772)		
Carrying amount		14,341,237,230											15,860,118,756		

For the six months ended 30 June 2026, capitalised interest on construction in progress amounted to RMB103,819,748 (corresponding period of 2025: RMB114,840,132), with capitalisation rates ranging from 2.09% to 3.90% (corresponding period of 2025: 2.46% to 3.80%).

For construction in progress for which the Group's ownership is restricted, please see Note V. 26.

Note: Project budgets are adjusted in response to changes in the volume of construction in progress. The progress is determined based on budgets and cumulative inputs.

20. RIGHT-OF-USE ASSETS

	Buildings and structures	Vessels	Transportation vehicles	Plant and equipment	Others	Total
Costs						
Opening balance	4,633,924,176	1,319,983,308	37,616,078	1,149,157,539	80,112,715	7,220,793,816
Increase during the period						
Increase	562,369,849	18,524,174	3,725,171	214,164,420	3,418,716	802,202,330
Other increase	11,369,569	–	–	–	–	11,369,569
Subtotal	**573,739,418**	**18,524,174**	**3,725,171**	**214,164,420**	**3,418,716**	**813,571,899**
Decrease during the period						
Disposal	(435,345,005)	(30,516,131)	(4,802,909)	(20,882,815)	(584,078)	(492,130,938)
Other decrease	(101,692,403)	–	(416,426)	(9,416,335)	(1,295,949)	(112,821,113)
Subtotal	**(537,037,408)**	**(30,516,131)**	**(5,219,335)**	**(30,299,150)**	**(1,880,027)**	**(604,952,051)**
Closing balance	**4,670,626,186**	**1,307,991,351**	**36,121,914**	**1,333,022,809**	**81,651,404**	**7,429,413,664**
Accumulated depreciation						
Opening balance	(2,102,089,556)	(165,746,220)	(18,796,090)	(663,180,042)	(31,502,932)	(2,981,314,840)
Increase during the period						
Provision	(494,499,033)	(82,726,565)	(5,991,264)	(153,073,308)	(6,936,793)	(743,226,963)
Other increase	(2,103,620)	–	–	–	–	(2,103,620)
Subtotal	**(496,602,653)**	**(82,726,565)**	**(5,991,264)**	**(153,073,308)**	**(6,936,793)**	**(745,330,583)**
Decrease during the period						
Disposal	319,429,807	14,538,001	4,683,390	17,516,519	584,078	356,751,795
Other decrease	66,511,590	–	860,677	10,125,181	95,250	77,592,698
Subtotal	**385,941,397**	**14,538,001**	**5,544,067**	**27,641,700**	**679,328**	**434,344,493**
Closing balance	**(2,212,750,812)**	**(233,934,784)**	**(19,243,287)**	**(788,611,650)**	**(37,760,397)**	**(3,292,300,930)**
Carrying amount						
Closing balance	**2,457,875,374**	**1,074,056,567**	**16,878,627**	**544,411,159**	**43,891,007**	**4,137,112,734**
Opening balance	**2,531,834,620**	**1,154,237,088**	**18,819,988**	**485,977,497**	**48,609,783**	**4,239,478,976**

21. INTANGIBLE ASSETS

(1) Intangible assets

For the six months ended 30 June 2026 (Unaudited)

	Land use rights	Concession rights	Software	Trademarks, patents, proprietary technologies and copyrights	Others	Total
Original costs						
Opening balance	17,035,126,300	227,015,575,234	2,899,582,203	1,654,007,781	8,186,921,005	256,791,212,523
Increase during the period						
Additions	538,304,836	7,866,134,135	66,139,284	1,289,422	3,825,235	8,475,692,912
Acquisition of assets (Note VII. 2)	–	21,633,473,386	–	–	–	21,633,473,386
Internal research and development (Note VI)	–	–	633,014	–	1,206,853	1,839,867
Transferred in from construction in progress (Note V. 19)	946,298	10,115,967	114,704	–	1,159,241	12,336,210
Subtotal	**539,251,134**	**29,509,723,488**	**66,887,002**	**1,289,422**	**6,191,329**	**30,123,342,375**
Decrease during the period						
Disposal or retirement	(290,763,350)	–	(8,264,772)	–	–	(299,028,122)
Transferred out to construction in progress (Note V. 19)	–	–	–	–	(87,216,288)	(87,216,288)
Transferred out to investment properties (Note V. 17)	(491,388,721)	–	–	–	–	(491,388,721)
Transferred out to inventories (Note V. 9)	(83,557,915)	–	–	–	–	(83,557,915)
Other	(280,825,233)	(309,682,427)	–	(7,699,691)	(96,661,202)	(694,868,553)
Subtotal	**(1,146,535,219)**	**(309,682,427)**	**(8,264,772)**	**(7,699,691)**	**(183,877,490)**	**(1,656,059,599)**
Closing balance	**16,427,842,215**	**256,215,616,295**	**2,958,204,433**	**1,647,597,512**	**8,009,234,844**	**285,258,495,299**
Accumulated amortization						
Opening balance	(2,047,731,541)	(14,632,446,867)	(1,688,942,553)	(347,253,318)	(489,328,016)	(19,205,702,295)
Increase during the period						
Provision	(109,884,194)	(1,629,003,958)	(173,832,023)	(15,644,551)	(49,397,968)	(1,977,762,694)
Subtotal	**(109,884,194)**	**(1,629,003,958)**	**(173,832,023)**	**(15,644,551)**	**(49,397,968)**	**(1,977,762,694)**
Decrease during the period						
Disposal or retirement	15,576,016	–	7,188,091	–	–	22,764,107
Transferred out to investment properties (Note V. 17)	36,589,619	–	–	–	–	36,589,619
Others	2,552,460	123,092,812	–	2,435,574	158,288	128,239,134
Subtotal	**54,718,095**	**123,092,812**	**7,188,091**	**2,435,574**	**158,288**	**187,592,860**
Closing balance	**(2,102,897,640)**	**(16,138,358,013)**	**(1,855,586,485)**	**(360,462,295)**	**(538,567,696)**	**(20,995,872,129)**

	Land use rights	Concession rights	Software	Trademarks, patents, proprietary technologies and copyrights	Others	Total
Impairment provisions						
Opening balance	**(35,077,985)**	**(299,000,000)**	**–**	**–**	**–**	**(334,077,985)**
Closing balance	**(35,077,985)**	**(299,000,000)**	**–**	**–**	**–**	**(334,077,985)**
Carrying amount						
Opening balance	**14,289,866,590**	**239,778,258,282**	**1,102,617,948**	**1,287,135,217**	**7,470,667,148**	**263,928,545,185**
Closing balance	**14,952,316,774**	**212,084,128,367**	**1,210,639,650**	**1,306,754,463**	**7,697,592,989**	**237,251,432,243**

As of 30 June 2026, the carrying amount of the Group's concession intangible assets, including the carrying amount of contract assets from PPP projects under construction, amounted to RMB25,601,621,345 (as of 31 December 2025: RMB25,300,817,408).

For the six months ended 30 June 2026, intangible assets subject to capitalisation of borrowing costs were mainly concession projects. No material borrowing costs were capitalised for concession projects during the current period.

As at 30 June 2026, there were no intangible assets for which land use right certificates were in the process of being obtained during the current period.

For intangible assets of the Group with restricted ownerships or right to use, please see Note V. 26.

(2) Data resources recognised as intangible assets

For the six months ended 30 June 2026 (Unaudited)

	Internally generated intangible assets of data resources
Original costs	
Opening balance	31,921,599
Internal research and development	1,206,853
Closing balance	**33,128,452**
Accumulated amortization	
Opening balance	(2,723,190)
Increase during the period	(3,303,178)
Closing balance	**(6,026,368)**
Carrying amount	
Closing balance	**27,102,084**
Opening balance	**29,198,409**

22. DEVELOPMENT EXPENSES

Please refer to Note VI.

23. GOODWILL

(1) Original costs of goodwill

For the six months ended 30 June 2026 (Unaudited)

	Opening balance	Other changes	Closing balance
John Holland Group Pty Ltd. ("John Holland")	4,610,176,779	(8,651,701)	4,601,525,078
Friede Goldman United, Ltd. ("F&G")	295,665,532	–	295,665,532
Concremat Engenhariae Tecnologia S.A. ("Concremat")	252,267,548	–	252,267,548
Qingyuan Zhiyuan Green Building Materials Co., Ltd.* (清遠市智源綠色建材有限公司)	200,904,461	–	200,904,461
Others	441,777,449	–	441,777,449
Subtotal	**5,800,791,769**	**(8,651,701)**	**5,792,140,068**
Less: Impairment provisions	296,320,175	–	296,320,175
Total	**5,504,471,594**	**(8,651,701)**	**5,495,819,893**

Note: Other changes are mainly exchange rate changes.

(2) Impairment provisions for goodwill

For the six months ended 30 June 2026 (Unaudited)

	Opening balance	Closing balance
F&G	295,665,532	295,665,532

Goodwill arising from business combinations has been allocated to cash generating units for impairment testing. John Holland, Concremat and F&G each represents a separate cash generating unit, and is consistent with the cash generating unit combinations identified in impairment testing in prior years.

24. DEFERRED INCOME TAX ASSETS/LIABILITIES

(1) Deferred income tax assets not offset

	30 June 2026 (Unaudited)		31 December 2025	
	Deductible temporary differences and losses available for set-off	Deferred income tax assets	Deductible temporary differences and losses available for set-off	Deferred income tax assets
Impairment provisions for assets and impairment provisions for credit	55,887,587,403	9,953,854,150	53,994,998,939	9,613,652,677
Accumulated unrecovered losses	26,149,180,439	6,451,892,523	24,106,703,637	5,898,438,260
Accrued expenses	5,577,717,571	1,255,339,916	6,150,186,948	1,423,910,603
Changes in fair value	4,481,192,994	750,266,592	4,620,167,522	766,742,982
Realisation of long-term receivables	3,347,799,351	567,166,975	3,451,107,779	583,120,784
Retirement benefits and early retirement benefits	787,840,446	126,157,367	832,462,782	133,559,493
Others	11,631,863,467	2,288,977,893	11,555,855,080	2,278,464,040
Total	**107,863,181,671**	**21,393,655,416**	**104,711,482,687**	**20,697,888,839**

(2) Deferred income tax liabilities not offset

	30 June 2026 (Unaudited)		31 December 2025	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Interest income from PPP projects	34,630,490,019	8,568,195,632	31,570,335,395	7,807,776,751
Changes in fair value	16,541,788,583	3,626,258,199	18,614,054,950	4,052,842,568
Undistributed profits of overseas subsidiaries	16,160,503,508	2,424,075,526	15,436,848,518	2,315,527,278
Depreciation difference between tax and accounting basis	645,721,968	103,473,298	635,942,354	101,167,404
Others	8,537,391,511	1,645,303,523	8,843,629,449	1,664,003,049
Total	**76,515,895,589**	**16,367,306,178**	**75,100,810,666**	**15,941,317,050**

(3) Deferred income tax assets or liabilities stated net of offsets

	30 June 2026 (Unaudited)		31 December 2025	
	Offset amount	Amount after offset	Offset amount	Amount after offset
Deferred income tax assets	8,263,455,896	13,130,199,520	7,873,648,266	12,824,240,573
Deferred income tax liabilities	8,263,455,896	8,103,850,282	7,873,648,266	8,067,668,784

For the aforementioned legal entities with accumulated unrecovered losses for which deferred income tax assets have been recognised, based on their business nature and plans, management estimates that it is probable to generate sufficient taxable profits in future.

(4) Details of unrecognized deferred income tax assets

	30 June 2026	31 December 2025
	(Unaudited)	
Deductible losses	29,426,907,662	27,155,560,130
Deductible temporary differences	12,370,153,415	11,720,456,999
Total	**41,797,061,077**	**38,876,017,129**

(5) Maturity analysis of deductible losses of unrecognized deferred income tax assets

	30 June 2026	31 December 2025
	(Unaudited)	
Within one year	3,186,832,003	3,517,032,092
One to two years	3,205,117,224	3,238,469,220
Two to three years	3,585,695,196	3,612,486,052
Three to four years	2,255,600,668	2,255,600,668
Over four years	17,193,662,571	14,531,972,098
Total	**29,426,907,662**	**27,155,560,130**

25. OTHER NON-CURRENT ASSETS

(1) Other non-current assets

	30 June 2026 (Unaudited)	31 December 2025
Contract assets from PPP projects (excluding the portion included in contract assets)	313,386,715,460	293,875,233,221
Project quality deposit	51,250,212,319	51,023,475,894
VAT input to be deducted	7,785,071,989	7,041,480,336
Prepayments for land, buildings and equipment	3,512,096,284	3,652,106,112
Others	5,084,991,568	3,689,932,341
Subtotal	**381,019,087,620**	**359,282,227,904**
Less: Provision for impairment of project quality deposit and contract assets from PPP projects	2,919,904,910	2,672,759,110
Subtotal	**378,099,182,710**	**356,609,468,794**
Less: Other non-current assets due within one year	81,513,073	149,106,436
Total	**378,017,669,637**	**356,460,362,358**

(2) Disclosure by classification with the method of provision for impairment of project quality deposit and contract assets from PPP projects

	30 June 2026 (Unaudited)			
	Book balance		Provision for impairment	
	Amount	Proportion	Amount	Provision withdrawal proportion
		(%)		(%)
Provision for impairment on individual basis	3,221,513,430	0.88	(445,843,119)	13.84
Provision for impairment based on credit risk on group basis	361,415,414,349	99.12	(2,474,061,791)	0.68
Total	**364,636,927,779**	**100.00**	**(2,919,904,910)**	

	31 December 2025			
	Book balance		Provision for impairment	
	Amount	Proportion	Amount	Provision withdrawal proportion
		(%)		(%)
Provision for impairment on individual basis	958,628,945	0.28	(305,583,431)	31.88
Provision for impairment based on credit risk on group basis	343,940,080,170	99.72	(2,367,175,679)	0.69
Total	**344,898,709,115**	**100.00**	**(2,672,759,110)**	

(3) Provision for impairment of project quality deposit and contract assets from PPP projects

For the six months ended 30 June 2026 (Unaudited)

	Opening balance	Provision for the period	Other increase	Reversal for the period	Other decrease	Closing balance
Changes in provision for impairment of project quality deposit	677,941,244	132,846,140	340,025	(93,773,670)	(3,374,843)	713,978,896
Changes in provision for impairment of contract assets from PPP projects	1,994,817,866	151,360,445	180,946,917	(119,141,870)	(2,057,344)	2,205,926,014
Total	**2,672,759,110**	**284,206,585**	**181,286,942**	**(212,915,540)**	**(5,432,187)**	**2,919,904,910**

2025

	Opening balance for the year	Provision for the year	Other increase	Reversal for the year	Other decrease	Closing balance for the year
Changes in provision for impairment of project quality deposit	656,790,893	177,360,762	3,363,557	(155,680,306)	(3,893,662)	677,941,244
Changes in provision for impairment of contract assets from PPP projects	1,816,832,039	256,600,929	110,719,387	(187,196,952)	(2,137,537)	1,994,817,866
Total	**2,473,622,932**	**433,961,691**	**114,082,944**	**(342,877,258)**	**(6,031,199)**	**2,672,759,110**

26. ASSETS WITH RESTRICTED OWNERSHIPS OR RIGHT TO USE

30 June 2026 (Unaudited)

	Book balance	Carrying amount	Type of restriction	Restriction
Monetary funds	9,403,125,224	9,403,125,224	Restricted ownerships or right to use	Note 1
Bills receivables	34,851,266	34,680,327	Pledged	Note 2
Accounts receivable	6,237,224,009	5,362,652,595	Pledged	Note 2
Inventories	30,105,758,090	29,931,845,472	Charged	Note 2
Long-term receivables for construction	29,166,632,426	28,716,728,356	Pledged	Note 2
Land use rights	11,649,124,172	11,630,097,744	Charged	Note 2
Construction in progress	1,756,729,358	1,714,739,365	Charged	Note 2
Fixed assets	3,485,577,384	3,296,731,572	Charged	Note 2
Concession intangible assets, contract assets from PPP and receivables	466,737,313,130	439,570,492,986	Charged/Pledged	Note 2
Total	**558,576,335,059**	**529,661,093,641**		

31 December 2025

	Book balance	Carrying amount	Type of restriction	Restriction
Monetary funds	10,919,637,950	10,919,637,950	Restricted ownerships or right to use	Note 1
Bills receivables	276,250,979	275,052,333	Pledged	Note 2
Accounts receivable	3,243,687,342	2,736,286,918	Pledged	Note 2
Inventories	33,482,275,420	32,369,155,280	Charged	Note 2
Long-term receivables for construction	31,379,372,945	30,927,303,294	Pledged	Note 2
Land use rights	10,855,701,587	10,830,127,525	Charged	Note 2
Construction in progress	1,833,838,458	1,833,838,458	Charged	Note 2
Fixed assets	3,347,337,817	3,170,565,203	Charged	Note 2
Concession intangible assets, contract assets from PPP and long-term receivables	416,144,130,968	395,031,318,986	Charged/Pledged	Note 2
Total	**511,482,233,466**	**488,093,285,947**		

As at 30 June 2026, the accumulated amortization of the aforementioned concession intangible assets was RMB16,138,358,013 (31 December 2025: RMB14,632,446,867), and the accumulated amortization of land use rights was RMB2,102,897,640 (31 December 2025: RMB2,047,731,541).

Note 1: These monetary funds are used for deposits with the central bank, margin deposits for bank acceptance bills, performance bond deposits, and letters of credit deposits, etc., and their ownerships or right to use are subject to restrictions.

Note 2: These assets are subject to restrictions on ownership or right to use because they have been charged or pledged to secure loans or asset-backed programs.

27. SHORT-TERM BORROWINGS

(1) Classification of short-term borrowings

	30 June 2026	31 December 2025
	(Unaudited)	
Credit loans	139,726,363,238	85,139,495,824
Pledge loans (Note 1)	21,234,531,155	20,255,610,348
Guaranteed loans (Note 2)	500,263,750	521,311,606
Secured loans (Note 3)	625,915,184	491,484,182
Total	**162,087,073,327**	**106,407,901,960**

Note 1: As at 30 June 2026 and 31 December 2025, the assets pledged by the Group to secure short-term borrowings were as follows:

	30 June 2026	31 December 2025
	(Unaudited)	
Accounts receivable	6,319,676,887	7,027,387,213
Long-term receivables for construction	687,708,310	2,197,836,159
Other receivables	7,810,065,613	7,726,377,576
Receivables financing	10,209,188,619	5,858,482,011
Bills receivables	951,323,929	2,935,352,947
Total	**25,977,963,358**	**25,745,435,906**

Among these, some of the assets pledged as security for the Group's short-term pledged loans referred to above consist of internal settlement balances within the Group, which have been offset in the preparation of the consolidated financial statements. The specific details are as follows:

	30 June 2026	31 December 2025
	(Unaudited)	
Accounts receivable	6,317,176,887	6,339,898,993
Long-term receivables for construction	155,932,283	99,340,000
Other receivables	7,810,065,613	7,726,377,576
Receivables financing	10,209,188,619	5,858,482,011
Bills receivables	916,643,602	2,660,300,614
Total	**25,409,007,004**	**22,684,399,194**

Note 2: As at 30 June 2026, the Company provided guarantees for its subsidiaries in respect of guaranteed loans totalling RMB500,263,750 (31 December 2025: RMB521,311,606).

Note 3: As at 30 June 2026 and 31 December 2025, the Group's assets pledged as security for short-term secured loans were as follows:

	30 June 2026	31 December 2025
	(Unaudited)	
Inventories	899,788,423	923,881,257
Land use rights	37,710,000	83,274,948
Fixed assets	49,070,000	49,070,000
Total	**986,568,423**	**1,056,226,205**

As at 30 June 2026, none of the aforementioned short-term borrowings were past due (31 December 2025: none).

As at 30 June 2026, the annual interest rates on short-term borrowings of the Company and its subsidiaries ranged from 0.78% to 18% (31 December 2025: 0.81% to 18%).

28. DERIVATIVE FINANCIAL LIABILITIES

	30 June 2026	31 December 2025
	(Unaudited)	
Foreign currency derivatives	31,304,888	34,336,875

29. BILLS PAYABLES

	30 June 2026	31 December 2025
	(Unaudited)	
Bank acceptance bills	25,801,003,882	23,908,816,381
Commercial acceptance bills	4,278,885,469	2,342,509,673
Total	**30,079,889,351**	**26,251,326,054**

As at 30 June 2026, the Group had no overdue and unpaid bills payable.

30. ACCOUNTS PAYABLE

(1) Breakdown of accounts payable

	30 June 2026	31 December 2025
	(Unaudited)	
Within 1 year	344,757,830,334	353,630,552,445
1 to 2 years	38,582,392,502	41,790,280,215
2 to 3 years	10,630,047,201	12,677,362,231
Over 3 years	10,054,031,344	10,765,396,740
Total	**404,024,301,381**	**418,863,591,631**

Note: The above ageing analysis of accounts payable is based on the date of purchase of goods or receipt of services.

As at 30 June 2026, trade payables aged more than one year amounted to RMB59,266,471,047 (31 December 2025: RMB65,233,039,186), primarily consisting of amounts payable for construction and materials. Given that the parties to the transactions continued to conduct business, these amounts remained outstanding, there were no amounts payable aged over one year that were individually material in amount or significantly past due.

(2) Breakdown of accounts payables by nature

	30 June 2026	31 December 2025
	(Unaudited)	
Payables for construction	264,615,018,837	288,692,965,162
Materials payable	114,987,828,295	102,800,182,683
Payables for the use of construction machinery	11,514,976,693	12,025,196,059
Payables for equipment purchases	2,789,953,569	1,817,976,550
Repair fees payable	364,341,822	349,340,114
Others	9,752,182,165	13,177,931,063
Total	**404,024,301,381**	**418,863,591,631**

31. CONTRACT LIABILITIES

(1) Breakdown of contract liabilities

	30 June 2026	31 December 2025
	(Unaudited)	
Advances for construction operations	52,666,526,020	54,153,394,724
Settled payments for unfinished projects	36,606,654,646	36,188,629,387
Sales revenue received in advance	14,090,486,429	12,223,855,175
Total	**103,363,667,095**	**102,565,879,286**

The increase in the carrying amount of contract liabilities during the current period was mainly due to the obligation to transfer goods or services to customers arising from consideration received from customers or the right to receive consideration unconditionally before the transfer of goods or services to customers.

(2) Material contract liabilities with an account age of more than 1 year

	Closing balance	Reasons for non-carried forward
	(Unaudited)	
Project 1	1,988,892,906	The delivery date specified in the contract has not yet arrived
Project 2	1,904,159,166	The settlement milestone specified in the contract has not yet arrived
Total	**3,893,052,072**	

32. EMPLOYEE BENEFITS PAYABLE

(1) Breakdown of employee benefits payable

For the six months ended 30 June 2026 (Unaudited)

	Opening balance	Increase during the period	Decrease during the period	Closing balance
Short-term remuneration	1,874,210,321	20,355,601,206	(20,268,545,156)	1,961,266,371
Defined contribution plans	550,991,021	2,938,270,282	(3,039,791,790)	449,469,513
Defined benefit schemes due within one year (Note V.41)	88,220,000	47,530,741	(47,530,741)	88,220,000
Total	**2,513,421,342**	**23,341,402,229**	**(23,355,867,687)**	**2,498,955,884**

(2) BREAKDOWN OF SHORT-TERM REMUNERATION

For the six months ended 30 June 2026 (Unaudited)

	Opening balance	Increase during the period	Decrease during the period	Closing balance
Wages, bonuses, allowances and subsidies	456,960,860	14,380,791,231	(14,257,717,198)	580,034,893
Employee welfare expenses	2,339,018	1,202,325,563	(1,201,416,543)	3,248,038
Contribution to the social insurance	66,445,895	1,263,925,682	(1,271,645,439)	58,726,138
Including: Medical insurance	59,465,862	1,149,476,530	(1,156,171,538)	52,770,854
Work-related injuries insurance	4,526,944	103,564,998	(104,127,241)	3,964,701
Maternity insurance	2,453,089	10,884,154	(11,346,660)	1,990,583
Housing provident fund	56,003,425	1,590,716,586	(1,587,453,136)	59,266,875
Trade union funds and staff training funds	327,598,244	279,445,639	(300,472,254)	306,571,629
Short-term remunerated absence	753,465,222	337,356,883	(316,619,319)	774,202,786
Other short-term remuneration	211,397,657	1,301,039,622	(1,333,221,267)	179,216,012
Total	**1,874,210,321**	**20,355,601,206**	**(20,268,545,156)**	**1,961,266,371**

Note: Employee benefits payable include labour-related costs for staff, including permanent employees, employees in overseas subsidiaries and agency workers, such as wages, social insurance contributions, housing provident fund and occupational health and safety expenses.

(3) Breakdown of defined contribution plans

For the six months ended 30 June 2026 (Unaudited)

	Opening balance	Increase during the period	Decrease during the period	Closing balance
Supplementary pension insurance	473,841,940	734,787,057	(831,203,856)	377,425,141
Basic pension insurance	71,824,135	2,125,661,449	(2,130,522,509)	66,963,075
Unemployment insurance contributions	5,324,946	77,821,776	(78,065,425)	5,081,297
Total	**550,991,021**	**2,938,270,282**	**(3,039,791,790)**	**449,469,513**

33. TAXES AND SURCHARGES PAYABLE

	30 June 2026	31 December 2025
	(Unaudited)	
Value-added tax	4,633,642,173	5,041,443,947
Enterprise income tax	2,601,893,860	4,366,636,205
Land appreciation tax	1,632,127,835	1,875,223,706
Individual income tax	243,517,560	732,177,505
Urban construction and maintenance tax	71,960,537	78,635,894
Tariff	224,143	666,640
Education surcharge	48,644,598	52,983,364
Others	380,447,482	399,972,113
	9,612,458,188	**12,547,739,374**

34. OTHER PAYABLES

	30 June 2026	31 December 2025
	(Unaudited)	
Dividends payables	2,730,620,724	4,164,488,499
Other payables	146,071,230,835	136,237,169,779
Total	**148,801,851,559**	**140,401,658,278**

(1) Dividends payables

	30 June 2026	31 December 2025
	(Unaudited)	
Dividends on ordinary shares	1,849,895,346	1,886,291,731
Interest on perpetual bonds	829,240,446	1,938,514,575
Other dividends	51,484,932	339,682,193
Total	**2,730,620,724**	**4,164,488,499**

As at 30 June 2026, dividends payable not paid exceeding one year amounted to RMB315,518,941 (31 December 2025: RMB143,773,457), due to shareholders failing to claim the dividends and other reasons.

(2) Breakdown of other payables by nature

	30 June 2026	31 December 2025
	(Unaudited)	
Deposits payables	28,975,366,266	28,793,828,648
Borrowings (Note)	22,157,985,081	21,177,333,255
Performance bond and tender deposit payable	20,454,660,384	20,578,575,122
Advances payables	15,675,031,996	18,211,062,507
Deposits in CCCC Finance Company Limited	24,387,691,336	15,939,768,344
Others	34,420,495,772	31,536,601,903
Total	**146,071,230,835**	**136,237,169,779**

As at 30 June 2026, other payables aged over one year amounted to RMB25,688,024,558 (31 December 2025: RMB25,543,972,838), primarily consisting of deposits and guarantees deposits received by the Group. Given that the parties to the transactions continued to conduct business, these amounts remained outstanding, there were no other payables aged over one year that were individually material in amount or significantly past due.

Note: As at 30 June 2026, the Group obtained a borrowing secured by accounts receivable with the carrying amount of RMB2,831,248,948, of which accounts receivable with a carrying amount of RMB2,821,712,308 derived from internal transactions within the Group and had been offset in the preparation of the consolidated financial statements (as at 31 December 2025, the Group obtained a borrowing secured by accounts receivable with the carrying amount of RMB2,828,016,230, of which accounts receivable with a carrying amount of RMB2,754,898,326 derived from internal transactions within the Group and had been offset in the preparation of the consolidated financial statements); the Group obtained a borrowing secured by long-term receivables for construction with the carrying amount of RMB1,004,311,440 (as at 31 December 2025, the Group obtained a borrowing secured by long-term receivables for construction with the carrying amount of RMB1,938,415,547, of which long-term receivables for construction with a carrying amount of RMB108,000,000 derived from internal transactions within the Group and had been offset in the preparation of the consolidated financial statements).

35. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

	30 June 2026	31 December 2025
	(Unaudited)	
Long-term borrowings due within one year (Note V.37)	73,925,585,649	67,714,402,494
Long-term payables due within one year (Note V.40)	25,339,806,954	29,546,390,250
Bonds payable due within one year (Note V.38)	13,348,911,375	11,117,226,188
Lease liabilities due within one year (Note V.39)	990,641,061	1,004,045,127
Other non-current liabilities due within one year (Note V.44)	37,119,594	147,547,500
Total	**113,642,064,633**	**109,529,611,559**

36. OTHER CURRENT LIABILITIES

	30 June 2026	31 December 2025
	(Unaudited)	
VAT amounts to be transferred to output	38,617,153,351	39,519,502,087
Short-term financing bonds (1)	50,881,654,742	14,036,131,530
Total	**89,498,808,093**	**53,555,633,617**

(1) Short-term financing bonds

As at 30 June 2026, information of short-term financing bonds is set out below (unaudited):

Bond name	Par value	Issuance date	Bond term	Annual interest rates	Opening balance	Issuance for the period	Repayment for the period	Interest accrued during the period	Closing balance
26 CCCC SCP001	100	21 January 2026	160 days	1.57%	–	3,000,000,000	(3,020,646,575)	20,646,575	–
26 CCCC SCP002	100	23 January 2026	158 days	1.56%	–	3,000,000,000	(3,020,258,630)	20,258,630	–
26 CCCC SCP003	100	20 March 2026	160 days	1.48%	–	2,000,000,000	–	8,352,877	2,008,352,877
26 CCCC SCP004	100	23 March 2026	161 days	1.48%	–	2,000,000,000	–	8,271,781	2,008,271,781
26 CCCC SCP005	100	24 June 2026	177 days	1.36%	–	3,000,000,000	–	670,685	3,000,670,685
26 CCCC SCP006	100	25 June 2026	176 days	1.36%	–	3,000,000,000	–	558,904	3,000,558,904
26 CCCC First Harbor SCP001	100	16 January 2026	270 days	1.59%	–	1,000,000,000	–	7,187,671	1,007,187,671
26 CCCC First Harbor SCP002	100	20 March 2026	270 days	1.59%	–	500,000,000	–	2,221,644	502,221,644
26 CCCC First Harbor SCP003	100	21 May 2026	210 days	1.37%	–	1,000,000,000	–	1,501,370	1,001,501,370
26 CCCC Second Harbor SCP001	100	14 January 2026	97 days	1.55%	–	2,000,000,000	(2,008,238,356)	8,238,356	–

Bond name	Par value	Issuance date	Bond term	Annual interest rates	Opening balance	Issuance for the period	Repayment for the period	Interest accrued during the period	Closing balance
26 CCCC Second Harbor SCP002	100	15 April 2026	259 days	1.42%	–	1,000,000,000	–	3,031,461	1,003,031,461
26 CCCC Second Harbor SCP003	100	16 April 2026	257 days	1.42%	–	1,000,000,000	–	2,991,573	1,002,991,573
26 CCCC Third Harbor SCP001	100	6 January 2026	90 days	1.63%	–	1,000,000,000	(1,004,019,178)	4,019,178	–
26 CCCC Third Harbor SCP002	100	9 January 2026	90 days	1.63%	–	1,000,000,000	(1,004,019,178)	4,019,178	–
26 CCCC Third Harbor SCP003	100	21 January 2026	90 days	1.54%	–	500,000,000	(501,898,630)	1,898,630	–
26 CCCC Third Harbor SCP004	100	22 January 2026	90 days	1.56%	–	500,000,000	(501,923,288)	1,923,288	–
26 CCCC Third Harbor SCP005	100	25 March 2026	90 days	1.46%	–	500,000,000	(501,800,000)	1,800,000	–
26 CCCC Third Harbor SCP006	100	1 April 2026	90 days	1.40%	–	500,000,000	(501,726,027)	1,726,027	–
26 CCCC Third Harbor SCP007	100	1 April 2026	91 days	1.42%	–	1,000,000,000	–	3,501,370	1,003,501,370
26 CCCC Third Harbor SCP008	100	6 April 2026	91 days	1.41%	–	1,000,000,000	–	3,283,562	1,003,283,562
26 CCCC Third Harbor SCP009	100	7 April 2026	91 days	1.39%	–	500,000,000	–	1,599,452	501,599,452
26 CCCC Third Harbor SCP010	100	8 April 2026	91 days	1.39%	–	500,000,000	–	1,580,411	501,580,411
26 CCCC Third Harbor SCP011	100	23 April 2026	243 days	1.41%	–	1,000,000,000	–	2,626,849	1,002,626,849
26 CCCC Third Harbor SCP012	100	28 April 2026	240 days	1.41%	–	1,000,000,000	–	2,433,699	1,002,433,699
26 CCCC Third Harbor SCP013	100	13 May 2026	231 days	1.39%	–	500,000,000	–	913,973	500,913,973
26 CCCC Third Harbor SCP014	100	14 May 2026	231 days	1.39%	–	500,000,000	–	894,932	500,894,932
26 CCCC Third Harbor SCP015	100	10 June 2026	198 days	1.38%	–	1,000,000,000	–	756,164	1,000,756,164
26 CCCC Third Harbor SCP016	100	25 June 2026	183 days	1.43%	–	1,000,000,000	–	195,890	1,000,195,890
25 CCCC First Highway SCP006	100	22 July 2025	184 days	1.56%	1,006,881,097	–	(1,007,864,111)	983,014	–
25 CCCC First Highway SCP007	100	16 July 2025	183 days	1.53%	1,007,000,274	–	(1,007,670,959)	670,685	–
25 CCCC First Highway SCP012	100	28 October 2025	182 days	1.68%	1,002,945,753	–	(1,008,376,986)	5,431,233	–
25 CCCC First Highway SCP013	100	30 October 2025	182 days	1.67%	1,002,836,712	–	(1,008,327,123)	5,490,411	–

Bond name	Par value	Issuance date	Bond term	Annual interest rates	Opening balance	Issuance for the period	Repayment for the period	Interest accrued during the period	Closing balance
25 CCCC First Highway SCP014	100	26 December 2025	104 days	1.79%	2,000,490,411	–	(2,010,200,548)	9,710,137	–
26 CCCC First Highway SCP001	100	9 January 2026	182 days	1.56%	–	2,000,000,000	–	14,702,466	2,014,702,466
26 CCCC First Highway SCP002	100	13 January 2026	182 days	1.56%	–	2,000,000,000	–	14,360,548	2,014,360,548
26 CCCC First Highway SCP003	100	28 January 2026	121 days	1.55%	–	1,000,000,000	(1,005,138,356)	5,138,356	–
26 CCCC First Highway SCP004	100	29 January 2026	120 days	1.55%	–	1,000,000,000	(1,005,095,890)	5,095,890	–
26 CCCC First Highway SCP005	100	9 April 2026	266 days	1.42%	–	2,000,000,000	–	6,380,274	2,006,380,274
26 CCCC First Highway SCP006	100	14 April 2026	261 days	1.42%	–	2,000,000,000	–	5,991,233	2,005,991,233
26 CCCC First Highway SCP007	100	25 May 2026	270 days	1.37%	–	1,000,000,000	–	1,351,233	1,001,351,233
26 CCCC First Highway SCP008	100	26 May 2026	269 days	1.36%	–	1,000,000,000	–	1,304,110	1,001,304,110
25 Road & Bridge SCP005	100	4 January 2026	89 days	1.76%	–	600,000,000	(602,574,904)	2,574,904	–
26 Road & Bridge SCP001	100	8 January 2026	180 days	1.69%	–	1,500,000,000	–	12,501,370	1,512,501,370
26 Road & Bridge SCP002 (sci-tech innovation bonds)	100	15 January 2026	180 days	1.60%	–	1,500,000,000	–	10,980,822	1,510,980,822
26 Road & Bridge SCP003 (sci-tech innovation bonds)	100	5 February 2026	180 days	1.60%	–	500,000,000	–	3,200,000	503,200,000
26 Road & Bridge SCP004 (sci-tech innovation bonds)	100	9 February 2026	179 days	1.61%	–	500,000,000	–	3,131,780	503,131,780
26 Road & Bridge SCP005	100	22 June 2026	180 days	1.48%	–	1,500,000,000	–	547,397	1,500,547,397
25 CCCC Construction SCP004	100	10 November 2025	150 days	1.65%	2,004,665,753	–	(2,013,561,644)	8,895,891	–
25 CCCC Construction SCP005	100	3 December 2025	180 days	1.69%	2,002,592,877	–	(2,016,668,493)	14,075,616	–
26 CCCC Construction SCP001	100	26 March 2026	180 days	1.47%	–	2,000,000,000	–	7,732,603	2,007,732,603

Bond name	Par value	Issuance date	Bond term	Annual interest rates	Opening balance	Issuance for the period	Repayment for the period	Interest accrued during the period	Closing balance
26 CCCC Construction SCP002	100	16 April 2026	210 days	1.40%	–	2,000,000,000	–	5,753,425	2,005,753,425
25 CCCC Investment SCP004	100	27 October 2025	179 days	1.72%	1,003,110,137	–	(1,008,435,068)	5,324,931	–
25 CCCC Investment SCP005	100	19 December 2025	132 days	1.76%	1,000,626,849	–	(1,006,364,932)	5,738,083	–
26 CCCC Investment SCP001	100	1 April 2026	179 days	1.54%	–	1,000,000,000	–	3,839,452	1,003,839,452
25 CCCC Dredging SCP003	100	15 October 2025	147 days	1.70%	1,003,636,111	–	(1,003,636,111)	–	–
26 CCCC Dredging SCP001	100	6 March 2026	197 days	1.64%	–	1,000,000,000	–	5,284,444	1,005,284,444
26 CCCC Tianjin Dredging SCP001 (sci-tech innovation bonds)	100	12 March 2026	270 days	1.68%	–	1,000,000,000	–	4,713,333	1,004,713,333
26 CCCC Shanghai Dredging SCP001	100	13 March 2026	270 days	1.51%	–	500,000,000	–	2,306,944	502,306,944
26 CCCC Guangzhou Dredging SCP001	100	21 January 2026	180 days	1.55%	–	800,000,000	–	6,115,068	806,115,068
26 CCCC Guangzhou Dredging SCP002	100	29 January 2026	180 days	1.56%	–	800,000,000	–	6,154,521	806,154,521
26 CCCC Guangzhou Dredging SCP003	100	23 March 2026	180 days	1.48%	–	700,000,000	–	2,838,356	702,838,356
26 CCCC Guangzhou Dredging SCP004	100	13 April 2026	180 days	1.40%	–	700,000,000	–	2,121,096	702,121,096
26 CCCC Urban Investment SCP001	100	9 February 2026	270 days	1.74%	–	1,000,000,000	–	6,863,333	1,006,863,333
25 CCCC Leasing SCP002	100	3 December 2025	105 days	1.73%	1,001,345,556	–	(1,004,976,712)	3,631,156	–
26 CCCC Leasing SCP001	100	16 March 2026	89 days	1.52%	–	500,000,000	(501,853,151)	1,853,151	–
26 CCCC Leasing SCP002	100	17 March 2026	88 days	1.52%	–	500,000,000	(501,832,329)	1,832,329	–
26 CCCC Leasing SCP003	100	10 June 2026	90 days	1.39%	–	600,000,000	–	463,333	600,463,333
26 CCCC Leasing SCP004	100	11 June 2026	90 days	1.40%	–	600,000,000	–	443,333	600,443,333
Total					**14,036,131,530**	**66,300,000,000**	**(29,777,107,179)**	**322,630,391**	**50,881,654,742**

37. LONG-TERM BORROWINGS

	30 June 2026	31 December 2025
	(Unaudited)	
Credit loans	155,260,891,227	148,287,489,237
Pledged loans (Note 1)	342,964,611,045	303,471,319,472
Guaranteed loans (Note 2)	15,964,131,319	15,981,188,532
Secured loans (Note 3)	26,252,877,333	25,266,063,236
Subtotal	**540,442,510,924**	**493,006,060,477**
Less: Long-term borrowings due within one year (Note V. 35)	73,925,585,649	67,714,402,494
Total	**466,516,925,275**	**425,291,657,983**

As at 30 June 2026, the carrying value of the Group's bank borrowings with covenants amounted to RMB210,987,164,434 (31 December 2025: RMB213,578,129,092). Such covenants relate to financial information such as the gearing ratio, current ratio, credit rating, net assets and net profit.

Note 1: As at 30 June 2026 and 31 December 2025, the assets pledged by the Group to secure long-term pledged loans were as follows:

	30 June 2026	31 December 2025
	(Unaudited)	
Concession intangible assets, contract assets from PPP and receivables	436,608,868,557	391,729,349,606
Long-term receivables for construction	24,224,536,571	23,423,986,047
Equity investment	1,498,274,391	–
Accounts receivable	4,222,556,187	262,978,973
Total	**466,554,235,706**	**415,416,314,626**

Among these, some of the assets pledged as security for the Group's long-term pledged loans referred to above consist of internal settlement amounts within the Group, which have been offset in the preparation of the consolidated financial statements. The specific details are as follows:

	30 June 2026	31 December 2025
	(Unaudited)	
Long-term receivables for construction	435,974,413	597,129,565
Equity investment	1,498,274,391	–
Total	**1,934,248,804**	**597,129,565**

Note 2: As at 30 June 2026, RMB6,091,328,821 of the guaranteed loans was secured by guarantees provided by the Company to its subsidiaries (31 December 2025: RMB6,436,197,962), and RMB9,872,802,498 of the guaranteed loans were mutually guaranteed by the Company's subsidiaries (31 December 2025: RMB9,544,990,570).

Note 3: As at 30 June 2026 and 31 December 2025, the assets pledged by the Group to secure long-term secured loans were as follows:

	30 June 2026	31 December 2025
	(Unaudited)	
Inventories	29,032,057,049	31,445,274,023
Land use rights	11,592,387,744	10,746,852,577
Fixed assets	3,247,661,572	3,121,495,203
Construction in progress	1,714,739,365	1,833,838,458
Concession intangible assets, contract assets from PPP and receivables	2,199,286,928	2,479,980,864
Total	**47,786,132,658**	**49,627,441,125**

As at 30 June 2026, the interest rates on bank borrowings of a subsidiary of the Group in Colombia ranged from 5.13% to 17.76% (31 December 2025: 5.62% to 15.27%), and the annual interest rates on other borrowings of the Company and its subsidiaries ranged from 1.00% to 8.76% (31 December 2025: 0.89% to 8.76%).

As at 30 June 2026, the maturities of long-term borrowings were as follows:

	30 June 2026	31 December 2025
	(Unaudited)	
Due within one year	73,925,585,649	67,714,402,494
Due within one to two years	64,157,851,879	59,968,469,682
Due within two to five years	126,016,706,923	116,231,085,038
Over five years	276,342,366,473	249,092,103,263
Total	**540,442,510,924**	**493,006,060,477**

38. BONDS PAYABLE

(1) Bonds payable

	30 June 2026	31 December 2025
	(Unaudited)	
Corporate bonds	45,110,113,937	40,826,103,764
Non-public directional debt financing instruments	34,686,541,224	29,041,632,770
Subtotal	**79,796,655,161**	**69,867,736,534**
Less: Bonds payable due within one year (Note V. 35)	13,348,911,375	11,117,226,188
Total	**66,447,743,786**	**58,750,510,346**

(2) Details of bonds payable

As at 30 June 2026, balances of bonds payable of the Company are listed as follows (Unaudited):

	Par value	Issue date	Maturity	Coupon rate	Amount (RMB 0'000)	Opening balance	Interest at par value	Changes in the period	Discount/ premium amortisation	Closing balance	Breach of contract
2012 Corporate Bonds (Fifth Tranche) of China Communications Construction Company Limited (Note 1)	100	8 August 2012	15 years	5.15%	400,000	4,102,923,812	103,000,000	–	(483,925)	4,205,439,887	No
2019 Corporate Bonds (Second Tranche) (Type II) of China Communications Construction Company Limited	100	15 August 2019	10 years	4.35%	200,000	2,032,972,358	43,500,000	–	(340,323)	2,076,132,035	No
2024 Public Issuance of Science and Technology Innovation Corporate Bonds for Professional Institutional Investors (First Tranche) (Type I) of China Communications Construction Company Limited	100	15 August 2024	2 years	1.98%	50,000	503,715,891	4,950,000	–	(40,686)	508,625,205	No
2024 Public Issuance of Science and Technology Innovation Corporate Bonds for Professional Institutional Investors (First Tranche) (Type II) of China Communications Construction Company Limited	100	15 August 2024	3 years	2.05%	150,000	1,511,541,780	15,375,000	–	(126,369)	1,526,790,411	No

	Par value	Issue date	Maturity	Coupon rate	Amount (RMB 0'000)	Opening balance	Interest at par value	Changes in the period	Discount/ premium amortisation	Closing balance	Breach of contract
2025 Public Issuance of "Belt and Road" Technological Innovation Corporate Bonds for Professional Institutional Investors (First Tranche) (Type II) of China Communications Construction Company Limited	100	17 December 2025	20 years	2.67%	40,000	400,380,384	5,340,000	–	(43,891)	405,676,493	No
2025 Public Issuance of "Belt and Road" Technological Innovation Corporate Bonds for Professional Institutional Investors (First Tranche) (Type I) of China Communications Construction Company Limited	100	17 December 2025	10 years	2.45%	60,000	600,523,562	7,350,000	–	(60,411)	607,813,151	No
2024 Public Issuance of Corporate Bonds for Professional Institutional Investors (First Tranche) (Type I) of CCCC First Highway Engineering Group Co., Ltd.	100	8 November 2024	5 years	2.43%	100,000	1,003,595,068	12,150,000	–	(99,863)	1,015,645,205	No
PPP Project Asset-backed Special Scheme (First Tranche) of CCCC (Note 2)	100	8 December 2021	8 years	2.90%–8.10%	38,909	363,035,888	–	(48,635,700)	–	314,400,188	No
2025 Public Issuance of Science and Technology Innovation Corporate Bonds for Professional Investors (First Tranche) of CCCC Highway Engineering Consultants Corporation	100	30 May 2025	3 years	2.10%	86,800	878,886,167	9,114,000	(18,228,000)	(1,569,633)	868,202,534	No
2024 Guaranteed Green Bonds (First Tranche) of CCCC International Holding Limited	100	8 August 2024	3 years	2.90%	210,000	2,124,221,064	30,450,000	(30,867,900)	3,381,754	2,127,184,918	No
2024 Guaranteed Green Bonds (Second Tranche) of CCCC International Holding Limited	100	8 August 2024	3 years	2.88%	280,000	2,829,634,487	40,320,000	(40,871,600)	2,142,430	2,831,225,317	No
2024 Guaranteed Green Bonds (Third Tranche) of CCCC International Holding Limited	100	24 October 2024	3 years	2.46%	220,000	2,210,025,053	27,060,000	(26,985,200)	(6,328,882)	2,203,770,971	No
2022 Public Issuance of Corporate Bonds for Professional Institutional Investors (First Tranche) (Type II) of CCCC Investment Co., Ltd.	100	26 October 2022	5 years	3.20%	110,000	1,106,557,808	17,600,000	–	(144,658)	1,124,013,150	No
2024 Public Issuance of Corporate Bonds for Professional Investors (First Tranche) (Type I) of CCCC Investment Co., Ltd.	100	17 January 2024	3 years	2.79%	50,000	513,376,712	6,975,000	(13,950,000)	(57,329)	506,344,383	No
2024 Public Issuance of Corporate Bonds for Professional Investors (First Tranche) (Type II) of CCCC Investment Co., Ltd.	100	17 January 2024	5 years	3.10%	150,000	1,544,589,041	23,250,000	(46,500,000)	(191,096)	1,521,147,945	No
2024 Public Issuance of Science and Technology Innovation Corporate Bonds for Professional Investors (Second Tranche) (Type I) of CCCC Investment Co., Ltd.	100	25 October 2024	5 years	2.53%	150,000	1,507,070,137	18,975,000	–	(155,959)	1,525,889,178	No
2025 Public Issuance of Science and Technology Innovation Corporate Bonds for Professional Investors (First Tranche) (Type I) of CCCC Investment Co., Ltd.	100	23 April 2025	3 years	2.03%	60,000	608,442,575	6,090,000	(12,180,000)	(50,055)	602,302,520	No
2025 Public Issuance of Science and Technology Innovation Corporate Bonds for Professional Investors (First Tranche) (Type II) of CCCC Investment Co., Ltd.	100	23 April 2025	5 years	2.17%	90,000	913,537,233	9,765,000	(19,530,000)	(80,260)	903,691,973	No

	Par value	Issue date	Maturity	Coupon rate	Amount (RMB 0'000)	Opening balance	Interest at par value	Changes in the period	Discount/ premium amortisation	Closing balance	Breach of contract
2026 Public Issuance of Science and Technology Innovation Corporate Bonds for Professional Investors (First Tranche) (Type I) of CCCC Investment Co., Ltd.	100	16 June 2026	3 years	1.70%	30,000	–	2,550,000	300,000,000	(2,340,411)	300,209,589	No
2026 Public Issuance of Science and Technology Innovation Corporate Bonds for Professional Investors (First Tranche) (Type II) of CCCC Investment Co., Ltd.	100	16 June 2026	5 years	1.93%	170,000	–	16,405,000	1,700,000,000	(15,056,644)	1,701,348,356	No
2023 Public Issuance of Science and Technology Innovation Corporate Bonds for Professional Investors (First Tranche) of CCCC Dredging (Group) Co., Ltd.	100	8 August 2023	3 years	2.85%	150,000	1,516,851,360	21,375,000	–	(60,656)	1,538,165,704	No
2023 Public Issuance of Science and Technology Innovation Corporate Bonds for Professional Investors (Second Tranche) of CCCC Dredging (Group) Co., Ltd.	100	7 September 2023	3 years	2.89%	150,000	1,513,511,000	21,675,000	–	(63,345)	1,535,122,655	No
2024 Public Issuance of Science and Technology Innovation Corporate Bonds for Professional Investors (First Tranche) of CCCC Dredging (Group) Co., Ltd.	100	21 March 2024	3 years	2.55%	100,000	1,019,643,380	12,750,000	(25,500,000)	(29,553)	1,006,863,827	No
2023 Public Issuance of Corporate Bonds for Professional Investors (First Tranche) of CCCC Urban Investment Holding Co., Ltd.	100	20 June 2023	3 years	3.20%	100,000	1,016,227,945	16,000,000	(1,032,000,000)	(227,945)	–	No
2024 Public Issuance of Corporate Bonds for Professional Investors (First Tranche) (Type I) of CCCC Urban Investment Holding Co., Ltd.	100	28 August 2024	5 years	2.45%	80,000	806,712,329	9,800,000	–	–	816,512,329	No
2024 Public Issuance of Corporate Bonds for Professional Investors (Second Tranche) (Type I) of CCCC Urban Investment Holding Co., Ltd.	100	25 September 2024	5 years	2.35%	70,000	704,371,644	8,225,000	–	–	712,596,644	No
2025 Public Issuance of Corporate Bonds for Professional Investors (First Tranche) (Type I) of CCCC Urban Investment Holding Co., Ltd.	100	13 August 2025	3 years	1.99%	100,000	1,007,794,167	9,950,000	–	–	1,017,744,167	No
2026 Public Issuance of Corporate Bonds for Professional Investors (First Tranche) (Type I) of CCCC Urban Investment Holding Co., Ltd.	100	10 April 2026	3 years	1.92%	100,000	–	9,600,000	1,000,000,000	(5,226,667)	1,004,373,333	No
2023 Public Issuance of Corporate Bonds for Professional Institutional Investors (First Tranche) of CCCC Capital Holdings Limited	100	4 August 2023	5 years	3.05%	100,000	1,012,532,722	15,250,000	–	(125,342)	1,027,657,380	No
2024 Public Issuance of Corporate Bonds for Professional Investors (First Tranche) (Type I) of CCCC Capital Holdings Limited	100	26 August 2024	3 years	2.25%	150,000	1,511,833,929	16,875,000	–	(138,699)	1,528,570,230	No
2024 Public Issuance of Corporate Bonds for Professional Investors (First Tranche) (Type II) of CCCC Capital Holdings Limited	100	26 August 2024	5 years	2.35%	50,000	504,119,961	5,875,000	–	(48,289)	509,946,672	No
2023 Public Issuance of Corporate Bonds for Professional Investors (First Tranche) of CCCC Financial Leasing Co., Ltd.	100	7 June 2023	3 years	3.08%	100,000	1,018,395,616	15,400,000	(1,030,800,000)	(2,995,616)	–	No

	Par value	Issue date	Maturity	Coupon rate	Amount (RMB 0'000)	Opening balance	Interest at par value	Changes in the period	Discount/ premium amortisation	Closing balance	Breach of contract
2024 Public Issuance of Rural Revitalisation Corporate Bonds for Professional Investors (First Tranche) of CCCC Financial Leasing Co., Ltd.	100	7 June 2024	3 years	2.25%	50,000	506,379,574	5,625,000	(11,250,000)	(46,232)	500,708,342	No
2024 Public Issuance of Corporate Bonds for Professional Investors (First Tranche) (Type I) of CCCC Financial Leasing Co., Ltd.	100	18 September 2024	3 years	2.20%	100,000	1,006,423,165	11,000,000	–	(90,411)	1,017,332,754	No
2024 Public Issuance of Corporate Bonds for Professional Investors (First Tranche) (Type II) of CCCC Financial Leasing Co., Ltd.	100	18 September 2024	5 years	2.33%	50,000	503,319,452	5,825,000	–	(47,877)	509,096,575	No
Asset-backed Special Scheme (Fourth Tranche) of CCCC Leasing	100	16 September 2025	2.36 years	1.84%–1.88%	119,200	956,585,800	9,426,510	(336,109,348)	–	629,902,962	No
2025 Public Issuance of Science and Technology Innovation Corporate Bonds for Professional Investors (First Tranche) of CCCC Financial Leasing Co., Ltd.	100	24 November 2025	3 years	1.95%	100,000	1,001,958,904	9,750,000	–	(80,137)	1,011,628,767	No
2026 Public Issuance of Corporate Bonds for Professional Investors (Second Tranche) of CCCC Financial Leasing Co., Ltd.	100	3 June 2026	3 years	1.63%	100,000	–	8,150,000	1,000,000,000	(6,946,107)	1,001,203,893	No
2026 Public Issuance of Corporate Bonds for Professional Investors (First Tranche) of CCCC Financial Leasing Co., Ltd.	100	27 April 2026	3 years	1.79%	100,000	–	8,950,000	1,000,000,000	(5,829,760)	1,003,120,240	No
Asset-backed Special Scheme (Fifth Tranche) of CCCC Leasing	100	15 April 2026	3 years	1.93%	176,000	–	6,823,391	1,403,888,495	–	1,410,711,886	No
PPP Project Asset-backed Special Scheme (Seventh Tranche) of CCCC (Note 2)	100	13 January 2023	15 years	4.10%	56,000	464,413,796	11,480,000	(22,641,136)	(250,492)	453,002,168	No
Total						**40,826,103,764**	**640,023,901**	**3,687,839,611**	**(43,853,339)**	**45,110,113,937**	

Note 1: The corporate bonds with a par value of RMB4,000,000,000 issued by the Company on 9 August 2012, which are guaranteed by the Company's parent company, CCCG, on a full, unconditional and irrevocable joint and several liability basis.

Note 2: The asset-backed special scheme issued by the Group, with the future collection right from its PPP projects serving as the underlying assets.

As at 30 June 2026, balances of non-public directional debt financing instruments are listed as follows (Unaudited):

	Par value	Issue date	Maturity	Coupon rate	Amount (RMB 0'000)	Opening balance	Interest at par value	Changes in the period	Discount/ premium amortisation	Closing balance	Breach of contract
2023 Medium-term Notes (First Tranche) of China Communications Construction Company Limited	100	21 July 2023	3 years	2.68%	200,000	2,023,936,438	26,800,000	–	(220,274)	2,050,516,164	No
2025 Medium-term Notes (Second Tranche) of China Communications Construction Company Limited	100	10 December 2025	2 years	1.87%	400,000	4,004,303,561	37,400,000	–	(307,396)	4,041,396,165	No
2025 Medium-term Notes (First Tranche) of China Communications Construction Company Limited	100	26 September 2025	3 years	1.96%	300,000	3,015,465,205	29,400,000	–	(241,644)	3,044,623,561	No
2024 Medium-term Notes (First Tranche) of CCCC First Harbour Engineering Co., Ltd.	100	29 September 2024	5 years	2.30%	100,000	995,694,123	11,500,000	(101,071)	(94,520)	1,006,998,532	No
2024 Medium-term Notes (Technology Innovation Instrument) (Second Tranche) of CCCC Fourth Harbour Engineering Co., Ltd.	100	22 November 2024	5 years	2.49%	150,000	1,504,150,000	18,675,000	–	–	1,522,825,000	No
2026 Medium-term Notes of (Second Tranche) CCCC Construction Group Co., Ltd.	100	25 May 2026	3 years	1.83%	100,000	–	9,150,000	1,000,000,000	(7,345,068)	1,001,804,932	No
2026 Medium-term Notes (Fourth Tranche) of CCCC Construction Group Co., Ltd.	100	12 June 2026	3 years	0.0193	100,000	–	9,650,000	1,000,000,000	(8,698,219)	1,000,951,781	No
2023 Medium-term Notes (First Tranche) (Type I) of CCCC Investment Co., Ltd.	100	19 July 2023	3 years	0.029	90,000	912,013,151	13,050,000	–	(107,260)	924,955,891	No
2023 Medium-term Notes (First Tranche) (Type II) of CCCC Investment Co., Ltd.	100	19 July 2023	5 years	3.37%	60,000	588,299,953	10,110,000	(200,660)	(83,096)	598,126,197	No
2024 Medium-term Notes (First Tranche) (Type I) of CCCC Investment Co., Ltd.	100	5 February 2024	3 years	2.70%	50,000	512,242,466	6,750,000	(13,500,000)	(55,479)	505,436,987	No
2024 Medium-term Notes (First Tranche) (Type II) of CCCC Investment Co., Ltd.	100	5 February 2024	10 years	3.25%	150,000	1,240,037,581	24,375,000	(43,268,381)	(200,342)	1,220,943,858	No
2024 Medium-term Notes (Second Tranche) of CCCC Investment Co., Ltd.	100	12 March 2024	5 years	2.78%	100,000	1,022,468,493	13,900,000	(27,800,000)	(114,247)	1,008,454,246	No
2024 Medium-term Notes (Third Tranche) (Type I) of CCCC Investment Co., Ltd.	100	19 June 2024	10 years	2.67%	80,000	738,955,412	10,680,000	(20,337,283)	(87,780)	729,210,349	No
2024 Medium-term Notes (Third Tranche) (Type II) of CCCC Investment Co., Ltd.	100	19 June 2024	15 years	2.78%	70,000	689,817,759	9,730,000	(19,169,294)	(79,974)	680,298,491	No
2025 Medium-term Notes (Third Tranche) of CCCC Investment Co., Ltd.	100	14 November 2025	3 years	1.92%	100,000	1,002,524,931	9,600,000	–	(78,903)	1,012,046,028	No
2026 Medium-term Notes of (First Tranche) CCCC Investment Co., Ltd.	100	21 April 2026	3 years	1.80%	100,000	–	9,000,000	1,000,000,000	(5,498,630)	1,003,501,370	No

	Par value	Issue date	Maturity	Coupon rate	Amount (RMB 0'000)	Opening balance	Interest at par value	Changes in the period	Discount/ premium amortisation	Closing balance	Breach of contract
2026 Medium-term Notes (Second Tranche) (Type I) of CCCC Investment Co., Ltd.	100	27 April 2026	5 years	2.05%	50,000	–	5,125,000	500,000,000	(3,299,658)	501,825,342	No
2026 Medium-term Notes (Second Tranche) (Type II) of CCCC Investment Co., Ltd.	100	27 April 2026	10 years	2.48%	50,000	–	6,200,000	500,000,000	(3,991,781)	502,208,219	No
2023 Medium-term Notes (Sustainability-linked) (First Tranche) of CCCC Urban Investment Holding Co., Ltd.	100	1 November 2023	3 years	3.20%	100,000	1,004,211,086	16,000,000	–	171,333	1,020,382,419	No
2024 Medium-term Notes (First Tranche) of CCCC Urban Investment Holding Co., Ltd.	100	21 February 2024	3 years	2.70%	150,000	1,533,572,235	20,250,000	(40,500,000)	250,000	1,513,572,235	No
2024 Medium-term Notes (Third Tranche) (Type I) of CCCC Urban Investment Holding Co., Ltd.	100	29 July 2024	5 years	2.25%	100,000	989,479,670	11,250,000	(238,610)	–	1,000,491,060	No
2024 Medium-term Notes (Third Tranche) (Type II) of CCCC Urban Investment Holding Co., Ltd.	100	29 July 2024	10 years	2.49%	50,000	403,915,054	6,225,000	(1,218,361)	–	408,921,693	No
2025 Medium-term Notes (Third Tranche) of CCCC Urban Investment Holding Co., Ltd.	100	17 July 2025	3 years	0.0193	100,000	1,009,006,667	9,650,000	–	–	1,018,656,667	No
2025 Medium-term Notes (First Tranche) of CCCC Urban Investment Holding Co., Ltd.	100	10 April 2025	3 years	0.0209	100,000	1,015,442,777	10,450,000	(20,899,999)	–	1,004,992,778	No
2026 Medium-term Notes (First Tranche) of CCCC Urban Investment Holding Co., Ltd.	100	3 March 2026	3 years	2.04%	150,000	–	15,300,000	1,500,000,000	(5,100,000)	1,510,200,000	No
2025 Medium-term Notes (First Tranche) of CCCC Capital Holdings Limited	100	1 September 2025	3 years	1.99%	80,000	805,321,205	7,960,000	–	(65,425)	813,215,780	No
2024 Medium-term Notes (First Tranche) of CCCC Financial Leasing Co., Ltd.	100	31 October 2024	3 years	2.43%	200,000	2,008,122,193	24,300,000	–	(199,727)	2,032,222,466	No
2024 Medium-term Notes (Second Tranche) of CCCC Financial Leasing Co., Ltd.	100	22 November 2024	2 years	2.13%	25,000	250,568,974	2,662,500	–	(21,885)	253,209,589	No
2025 Green Medium-term Notes (First Tranche) of CCCC Financial Leasing Co., Ltd.	100	10 April 2025	3 years	1.97%	75,000	760,686,576	7,387,500	(14,775,000)	(60,720)	753,238,356	No
2025 Medium-term Notes (Second Tranche) of CCCC Financial Leasing Co., Ltd.	100	5 June 2025	3 years	2.00%	100,000	1,011,397,260	10,000,000	(20,000,000)	(82,192)	1,001,315,068	No
Total						**29,041,632,770**	**402,530,000**	**5,277,991,341**	**(35,612,887)**	**34,686,541,224**	

39. LEASE LIABILITIES

	30 June 2026	31 December 2025
	(Unaudited)	
Buildings and structures	2,477,849,399	2,423,167,844
Vessels, and plant and equipment	1,661,706,005	1,677,880,585
Others	53,546,039	62,832,588
Subtotal	**4,193,101,443**	**4,163,881,017**
Less: Lease liabilities due within one year (Note V. 35)	990,641,061	1,004,045,127
Total	**3,202,460,382**	**3,159,835,890**

40. LONG-TERM PAYABLES

	30 June 2026	31 December 2025
	(Unaudited)	
Payables for construction and guarantee deposits	72,028,718,375	74,051,647,334
Other deposits	14,841,565,705	13,110,584,834
Borrowing (Note)	8,002,267,777	8,961,109,264
Others	8,674,823,243	9,437,592,896
Subtotal	**103,547,375,100**	**105,560,934,328**
Less: Long-term payables due within one year (Note V. 35)	25,339,806,954	29,546,390,250
Total	**78,207,568,146**	**76,014,544,078**

Note: As at 30 June 2026, the Group obtained a borrowing secured by accounts receivable with the carrying amount of RMB1,128,059,768 and long-term receivables for construction with the carrying amount of RMB3,392,078,731 (as at 31 December 2025, the Group obtained a borrowing secured by accounts receivable with the carrying amount of RMB1,712,701,821 and long-term receivables for construction with the carrying amount of RMB3,392,078,732).

41. LONG-TERM ACCRUED PAYROLL

(1) Long-term accrued payroll

	30 June 2026	31 December 2025
	(Unaudited)	
Defined contribution plans – supplemental retirement benefits and early retirement benefits	787,840,446	832,462,782
Less: Supplemental retirement benefits and early retirement benefits due within one year (Note V. 32)	88,220,000	88,220,000
Total	**699,620,446**	**744,242,782**

Supplemental retirement benefits are provided to the Group's employees retired by 31 December 2005, the post-retirement benefits received by those employees are subject to the factors including the position, length of service and salary level at retirement, as well as inflation.

(2) Changes in obligations under defined contribution plans

Changes in the present value of obligations under defined contribution plans are as follows:

	Six months ended 30 June 2026	2025
	(Unaudited)	
Balance at the beginning of the period/year	832,462,782	939,290,945
Included in profit or loss for the period/year as past service cost	1,669,611	6,481,183
Net interest	2,908,405	11,290,000
Included in other comprehensive income		
Actuarial losses resulting from changes in financial assumptions	(2,434,642)	(12,290,000)
Actuarial gains resulting from differences in experience	2,434,642	28,210,000
Benefits paid	(49,200,352)	(140,519,346)
Balance at the end of the period/year	787,840,446	832,462,782
Less: Supplemental retirement benefits and early retirement benefits due within one year (Note V. 32)	88,220,000	88,220,000
Total	**699,620,446**	**744,242,782**

(3) Significant actuarial assumptions on defined contribution plans

The following table shows the major actuarial assumptions used at the balance sheet date:

	30 June 2026	31 December 2025
	(Unaudited)	
Discount rate	1.53%	1.75%
Medical cost growth rate	4.00%–8.00%	4.00%–8.00%

42. ESTIMATED LIABILITIES

	Opening balance	Increase in the period	Other changes in the scope of consolidation	Decrease in the period	Closing balance
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Major repair funds	2,082,396,417	208,959,688	104,653,197	–	2,396,009,302
Estimated contract loss	1,686,369,722	323,121,955	–	(656,859,168)	1,352,632,509
Pending lawsuits	88,865,675	72,856,981	–	(24,843,413)	136,879,243
Others	444,854,441	36,780,385	–	(11,965,945)	469,668,881
Total	**4,302,486,255**	**641,719,009**	**104,653,197**	**(693,668,526)**	**4,355,189,935**

43. DEFERRED INCOME

	Opening balance	Increase in the period	Decrease in the period	Closing balance
		(Unaudited)	(Unaudited)	(Unaudited)
Government grants	1,166,780,250	92,660,489	(41,266,311)	1,218,174,428
Others	17,542,483	10,911,661	(5,487,156)	22,966,988
Total	**1,184,322,733**	**103,572,150**	**(46,753,467)**	**1,241,141,416**

44. OTHER NON-CURRENT LIABILITIES

	30 June 2026	31 December 2025
	(Unaudited)	
VAT amounts to be transferred to output	644,524,961	582,962,154
Rent received in advance	555,946,917	571,416,999
Others	49,991,308	51,559,557
Subtotal	**1,250,463,186**	**1,205,938,710**
Less: Other non-current liabilities due within one year (Note V. 35)	37,119,594	147,547,500
Total	**1,213,343,592**	**1,058,391,210**

45. SHARE CAPITAL

	Opening balance	Closing balance
		(Unaudited)
Unrestricted shares		
RMB ordinary shares	11,778,437,225	11,722,873,079
Overseas listed foreign shares	4,418,476,000	4,418,476,000
Restricted shares		
RMB ordinary shares	77,731,000	72,437,200
Total	**16,274,644,225**	**16,213,786,279**

Note: On 18 March 2026, the Proposal on the First Batch of Unlocking of the Reserved Grant under the 2022 Restricted Share Incentive Scheme of CCCC was considered and approved at the 2nd meeting of the sixth session of the Board of the Company. According to the relevant provisions of the 2022 Restricted Share Incentive Scheme, a total of 128 Participants of the Reserved Grant under the Incentive Scheme are eligible for unlocking of the Restricted Shares for the first unlocking period. 5,293,800 Restricted Shares are eligible for unlocking, with a grant price of RMB5.06 per share, and treasury shares amounting to RMB26,786,628 were reduced accordingly. Restricted shares eligible for unlocking were listed for trading on 9 April 2026.

On 16 June 2025, the Company convened the 2024 annual general meeting, at which a share repurchase plan was considered and passed. As of 30 June 2026, the Company repurchased and cancelled such shares, 60,857,946 A shares of the Company were actually repurchased, with a repurchase amount of RMB500,000,213.

46. OTHER EQUITY INSTRUMENTS

	Opening balance		Increase in the period (Unaudited)		Decrease in the period (Unaudited)		Closing balance (Unaudited)	
	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount
Perpetual bonds	222,000,000	22,200,000,000	–	–	–	–	222,000,000	22,200,000,000

As at 30 June 2026, the details of the outstanding perpetual bonds of the Company are as follows (Unaudited):

		Issue date	Dividend rate or interest rate	Issue price	Number	Issue amount	Carrying amount	Expiration date or renewal status	Conditions for the conversion	Conversion
2021 Public Issuance of Perpetual Corporate Bonds for Professional Investors (First Tranche) of China Communications Construction Company Limited	(Note 1)	20 July 2021	3.60%	100	8,000,000	800,000,000	800,000,000	Unexpired	No	No
2021 Public Issuance of Perpetual Corporate Bonds for Professional Investors (Second Tranche) of China Communications Construction Company Limited	(Note 1)	17 December 2021	3.53%	100	5,000,000	500,000,000	500,000,000	Unexpired	No	No
2022 Public Issuance of Perpetual Corporate Bonds for Professional Investors (First Tranche) of China Communications Construction Company Limited	(Note 1)	17 February 2022	3.45%	100	9,000,000	900,000,000	900,000,000	Unexpired	No	No
2023 Public Issuance of Science and Technology Innovation Perpetual Corporate Bonds for Professional Institutional Investors (Second Tranche) of China Communications Construction Company Limited	(Note 1)	7 December 2023	3.13%	100	15,000,000	1,500,000,000	1,500,000,000	Unexpired	No	No
2024 Public Issuance of Science and Technology Innovation Perpetual Corporate Bonds for Professional Institutional Investors (First Tranche) of China Communications Construction Company Limited	(Note 1)	28 November 2024	Type I: 2.13% (RMB1,500 million) Type II: 2.17% (RMB1,500 million)	100	30,000,000	3,000,000,000	3,000,000,000	Unexpired	No	No
2025 Public Issuance of Science and Technology Innovation Perpetual Corporate Bonds for Professional Institutional Investors (First Tranche) of China Communications Construction Company Limited	(Note 1)	16 May 2025	Type I:1.85% (RMB500 million) Type II: 1.99% (RMB1,500 million)	100	20,000,000	2,000,000,000	2,000,000,000	Unexpired	No	No
2025 Public Issuance of Science and Technology Innovation Perpetual Corporate Bonds for Professional Institutional Investors (Second Tranche) of China Communications Construction Company Limited	(Note 1)	13 June 2025	Type I: 1.84% (RMB2,000 million) Type II: 1.89% (RMB1,000 million)	100	30,000,000	3,000,000,000	3,000,000,000	Unexpired	No	No

		Issue date	Dividend rate or interest rate	Issue price	Number	Issue amount	Carrying amount	Expiration date or renewal status	Conditions for the conversion	Conversion
2025 Public Issuance of Science and Technology Innovation Perpetual Corporate Bonds for Professional Institutional Investors (Third Tranche) of China Communications Construction Company Limited	(Note 1)	9 July 2025	Type I: 1.74% (RMB2,000 million) Type II: 1.80% (RMB1,000 million)	100	30,000,000	3,000,000,000	3,000,000,000	Unexpired	No	No
2025 Public Issuance of Science and Technology Innovation Perpetual Corporate Bonds for Professional Institutional Investors (Fourth Tranche) of China Communications Construction Company Limited	(Note 1)	18 July 2025	Type I: 1.74% (RMB1,500 million) Type II: 1.82% (RMB1,500 million)	100	30,000,000	3,000,000,000	3,000,000,000	Unexpired	No	No
2025 Public Issuance of Science and Technology Innovation Perpetual Corporate Bonds for Professional Institutional Investors (Fifth Tranche) of China Communications Construction Company Limited	(Note 1)	5 August 2025	1.90%	100	20,000,000	2,000,000,000	2,000,000,000	Unexpired	No	No
2025 Public Issuance of Science and Technology Innovation Perpetual Corporate Bonds for Professional Institutional Investors (Sixth Tranche) of China Communications Construction Company Limited	(Note 1)	19 September 2025	Type I: 1.95% (RMB1,000 million) Type II: 2.09% (RMB1,500 million)	100	25,000,000	2,500,000,000	2,500,000,000	Unexpired	No	No
Total						**22,200,000,000**	**22,200,000,000**			

Note 1: Pursuant to the issuance terms of the perpetual bonds, the Company has the right to pay cash interest annually at the stated interest rate, but has no contractual obligation to repay principal or to pay any interest. Unless a mandatory interest payment event has occurred, on each interest payment date of the perpetual bonds, the Company can elect to defer payment of interest due and all interest deferred according to this provisions and its fruits to the next interest payment date without any limitation on the number of times of such deferral. These bonds are subject to a repricing period of every 2, 3 or 5 interest-bearing years, and issuer is entitle to renewal at the end of each repricing period, the exercise of such option is not subject to any limitation on the number of times. The Company believes that the perpetual bonds do not meet the definition of a financial liability, and therefore, recgonises it as equity in other equity instruments, and any declared distributions of interest are accounted for as a distribution of profits.

As of 30 June 2026, the equity attributable to the holders of other equity instruments of parent company amounted to RMB22,196,513,271 (31 December 2025: RMB22,067,463,271).

As of 30 June 2026, the total carrying amount of outstanding perpetual bonds of the Company's subsidiaries with similar terms of those of the Company was RMB109,544,460,000 (31 December 2025: RMB102,744,460,000). As of 30 June 2026, the equity attributable to the holders of other equity instruments of minority shareholder amounted to RMB110,378,756,652 (31 December 2025: RMB102,341,724,257).

47. CAPITAL RESERVES

	Opening balance	(Decrease)/ increase in the period	Closing balance
		(Unaudited)	(Unaudited)
Share premium			
Share premium	38,462,409,909	(439,142,267)	38,023,267,642
Share-based payment			
Restricted share incentive scheme	238,348,580	1,025,506	239,374,086
Transactions with minority shareholder			
Absorption merger through a share exchange of Road & Bridge	404,643,110	–	404,643,110
Equity transactions with minority shareholder	(8,393,557,844)	(7,825,629)	(8,401,383,473)
Business combination under common control	(254,636,149)	–	(254,636,149)
Spin-off and separate listing of three subsidiaries	4,663,144,743	–	4,663,144,743
Others	(461,320,818)	(1,001,553)	(462,322,371)
Other capital reserves			
Transfer from capital reserves of original framework	294,118,676	–	294,118,676
Others	188,253,150	1,310,372	189,563,522
Total	**35,141,403,357**	**(445,633,571)**	**34,695,769,786**

48. TREASURY SHARES

Item	Opening balance	Changes in the period	Closing balance
		(Unaudited)	(Unaudited)
Restricted share incentive scheme	409,959,230	(26,786,628)	383,172,602
Share repurchase	257,300,839	(257,300,839)	–
Total	**667,260,069**	**(284,087,467)**	**383,172,602**

49. OTHER COMPREHENSIVE INCOME

	Other comprehensive income in balance sheet				Other comprehensive income in the statement of profit for the six months ended 30 June 2026			
	1 January 2026	Amount after tax attributable to the parent company	Transfer of other comprehensive income to retained earnings	30 June 2026	Amount before income tax for the period	Income tax expenses	Amount after tax attributable to the parent company	Amount after tax attributable to minority shareholder
Other comprehensive income that will not be reclassified to profit and loss								
Remeasurement of changes in defined benefit plans	(112,845,196)	–	–	(112,845,196)	–	–	–	–
Other comprehensive income that cannot be transferred to profit and loss under equity method	(7,063,732)	(11,462,507)	–	(18,526,239)	(11,462,507)	–	(11,462,507)	–
Fair value changes of investment in other equity instruments	14,087,967,643	(1,654,631,070)	6,101,977	12,439,438,550	(2,091,706,981)	431,786,025	(1,654,631,070)	(5,289,886)
Other comprehensive income that will be reclassified to profit and loss								
Other comprehensive income that may be transferred to profit and loss under equity method	(260,249,254)	(70,150,186)	–	(330,399,440)	(70,150,186)	–	(70,150,186)	–
Cash flow hedge reserve	8,272,187	(11,575,592)	–	(3,303,405)	(16,536,560)	4,960,968	(11,575,592)	–
Provision for credit impairment on other debt investments	–	41,139,776	–	41,139,776	54,853,034	(13,713,258)	41,139,776	–
Exchange differences arising from retranslation of financial statements denominated in foreign currencies	(975,829,985)	(1,626,594,414)	–	(2,602,424,399)	(1,649,275,050)	–	(1,626,594,414)	(22,680,636)
Total	**12,740,251,663**	**(3,333,273,993)**	**6,101,977**	**9,413,079,647**	**(3,784,278,250)**	**423,033,735**	**(3,333,273,993)**	**(27,970,522)**

50. SPECIAL RESERVES

	Opening balance	Increase in the period	Decrease in the period	Closing balance
		(Unaudited)	(Unaudited)	(Unaudited)
Production safety expenses	5,565,092,159	5,174,101,998	(4,960,678,160)	5,778,515,997

51. SURPLUS RESERVES

	Opening balance	Closing balance
		(Unaudited)
Statutory surplus reserves	14,542,579,926	14,542,579,926

In accordance with the PRC Company Law and the Company's articles of association, the Company appropriates 10% of its annual net profit to the statutory surplus reserve. When the accumulated amount of statutory surplus reserve reaches 50% of the Company's share capital, further appropriation will not be mandatory. Upon approval, the statutory surplus reserve can be used to offset previous years' losses or increase the share capital.

52. UNDISTRIBUTED PROFIT

	Six months ended 30 June 2026	2025
	(Unaudited)	
Undistributed profit at the end of previous year and the beginning of the period/year	203,796,639,741	195,148,570,841
Add: Net profit attributable to shareholders of the parent company	7,276,820,750	14,751,374,779
Less: Appropriation to statutory surplus reserve	–	1,731,506,201
Appropriation/(reversal) to provision for general risks (Note 1)	595,361,380	(90,677,579)
Distribution of dividends on ordinary shares (Note 2)	1,257,895,334	4,544,482,535
Distribution of interests on perpetual bonds (Note 3)	125,850,000	658,691,222
Add: Transfer of other comprehensive income to retained earnings	(6,101,977)	740,696,500
Undistributed profit at the end of the period/year	**209,088,251,800**	**203,796,639,741**

Note 1: The Company's subsidiaries, being CCCC Finance Company Limited ("CCCC Finance") and CCCC Capital Holdings Limited, are financial services companies, and have made provisions for general risks on risk-bearing assets based on 1.5% of their closing balance and in accordance with the requirements of Administrative Measures for the Provision of Reserves of Financial Enterprises (Cai Jin [2012] No.20).

Note 2: On 31 March 2026 and 18 June 2026, the Proposal on Consideration of the 2025 Annual Profit Distribution Plan and the Authorisation on 2026 Interim Dividend of the Company was considered and approved at the 3rd meeting of the sixth session of the Board and 2025 annual general meeting of the Company, and the Company distributed cash dividends to all shareholders at RMB0.07793 per share based on 16,141,349,079 shares, being the number of shares derived by deducting the restricted shares proposed to be repurchased yet not cancelled by the Company from the total issued share capital, with an aggregate amount of distributed cash dividends of RMB1,257,895,334. As at 30 June 2026, such cash dividends had not been paid.

Note 3: The above dividend distribution on ordinary shares had triggered the mandatory interest payment provision under the perpetual medium-term notes. Accordingly, the Company paid interests on perpetual notes of RMB125,850,000 in the first half of 2026.

53. REVENUE FROM OPERATIONS AND COST OF OPERATIONS

(1) Revenue from operations and cost of operations

	For the six months ended 30 June 2026		For the six months ended 30 June 2025	
	Revenue	Costs	Revenue	Costs
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Principal operations	330,404,129,019	298,501,031,048	334,782,652,935	299,195,532,000
Other operations	2,755,599,000	1,827,975,017	2,271,977,575	1,983,860,370
Total	**333,159,728,019**	**300,329,006,065**	**337,054,630,510**	**301,179,392,370**

Revenue and costs from the principal operations are set out below:

	For the six months ended 30 June 2026		For the six months ended 30 June 2025	
	Revenue	Costs	Revenue	Costs
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
New infrastructure	316,788,471,361	287,979,217,963	318,874,379,589	287,342,553,898
Design and consulting	12,258,606,042	10,412,089,172	12,852,789,273	10,521,741,197
Other operations	4,420,673,096	3,126,278,936	4,789,929,941	3,201,623,866
Inter-segment elimination	(3,063,621,480)	(3,016,555,023)	(1,734,445,868)	(1,870,386,961)
Total	**330,404,129,019**	**298,501,031,048**	**334,782,652,935**	**299,195,532,000**

Note: Due to internal business adjustments within the Group, the segment data for the prior period has been restated.

Revenue and costs from other operations are set out below:

	For the six months ended 30 June 2026		For the six months ended 30 June 2025	
	Revenue	Costs	Revenue	Costs
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
By-product sales	230,022,900	143,148,647	232,911,528	163,484,815
Material sales	522,178,578	367,320,033	434,854,965	362,337,124
Asset leasing	566,772,233	404,978,370	520,287,188	509,271,170
Consulting services	295,707,379	114,150,055	274,543,494	193,075,274
Other	1,140,917,910	798,377,912	809,380,400	755,691,987
Total	**2,755,599,000**	**1,827,975,017**	**2,271,977,575**	**1,983,860,370**

(2) Breakdown of operating revenue

For the six months ended 30 June 2026 (Unaudited)

Reportable segments	New infrastructure	Design and consulting	Other operations	Total
Type of goods				
Engineering construction	300,143,561,714	4,752,053,463	309,540,838	305,205,156,015
Design and consulting services	1,113,096,916	6,175,779,679	–	7,288,876,595
Other	16,775,757,806	87,942,642	3,801,994,961	20,665,695,409
Total	**318,032,416,436**	**11,015,775,784**	**4,111,535,799**	**333,159,728,019**
Geographical regions				
Chinese Mainland (excluding Hong Kong, Macau and Taiwan)	231,402,137,120	9,026,856,878	3,786,425,502	244,215,419,500
Other countries and regions	86,630,279,316	1,988,918,906	325,110,297	88,944,308,519
Total	**318,032,416,436**	**11,015,775,784**	**4,111,535,799**	**333,159,728,019**
Timing of transfer of goods				
Transferred at a point in time	14,130,103,214	86,849,818	2,235,369,283	16,452,322,315
Transferred over time	303,902,313,222	10,928,925,966	1,876,166,516	316,707,405,704
Total	**318,032,416,436**	**11,015,775,784**	**4,111,535,799**	**333,159,728,019**

For the six months ended 30 June 2025 (Unaudited)

Reportable segment	New infrastructure	Design and consulting	Other operations	Total
Type of goods				
Engineering construction	303,213,737,562	4,822,667,126	228,156,839	308,264,561,527
Design and consulting services	1,344,181,281	6,564,618,751	–	7,908,800,032
Other	16,541,519,518	191,146,925	4,148,602,508	20,881,268,951
Total	**321,099,438,361**	**11,578,432,802**	**4,376,759,347**	**337,054,630,510**
Geographical regions				
Chinese Mainland (excluding Hong Kong, Macau and Taiwan)	253,980,675,964	10,580,309,200	4,352,602,691	268,913,587,855
Other countries and regions	67,118,762,397	998,123,602	24,156,656	68,141,042,655
Total	**321,099,438,361**	**11,578,432,802**	**4,376,759,347**	**337,054,630,510**
Timing of transfer of goods				
Transferred at a point in time	14,489,538,546	92,986,310	2,790,197,717	17,372,722,573
Transferred over time	306,609,899,815	11,485,446,492	1,586,561,630	319,681,907,937
Total	**321,099,438,361**	**11,578,432,802**	**4,376,759,347**	**337,054,630,510**

(3) Breakdown of operating costs

For the six months ended 30 June 2026 (Unaudited)

Reportable segment	New infrastructure	Design and consulting	Other operations	Total
Type of goods				
Engineering construction	274,304,893,235	4,288,869,592	264,094,394	278,857,857,221
Design and consulting services	882,612,991	4,798,502,074	–	5,681,115,065
Other	12,752,186,484	67,545,914	2,970,301,381	15,790,033,779
Total	**287,939,692,710**	**9,154,917,580**	**3,234,395,775**	**300,329,006,065**
Geographical regions				
Chinese Mainland (excluding Hong Kong, Macau and Taiwan)	209,953,047,393	7,433,959,212	3,058,439,943	220,445,446,548
Other countries and regions	77,986,645,317	1,720,958,368	175,955,832	79,883,559,517
Total	**287,939,692,710**	**9,154,917,580**	**3,234,395,775**	**300,329,006,065**
Timing of transfer of goods				
Transferred at a point in time	10,290,289,889	68,025,706	1,717,835,252	12,076,150,847
Transferred over time	277,649,402,821	9,086,891,874	1,516,560,523	288,252,855,218
Total	**287,939,692,710**	**9,154,917,580**	**3,234,395,775**	**300,329,006,065**

For the six months ended 30 June 2025 (Unaudited)

Reportable segment	New infrastructure	Design and consulting	Other operations	Total
Type of goods				
Engineering construction	274,217,640,317	4,226,080,922	186,927,693	278,630,648,932
Design and consulting services	1,037,286,957	4,854,946,717	–	5,892,233,674
Other	13,471,187,380	155,854,814	3,029,467,570	16,656,509,764
Total	**288,726,114,654**	**9,236,882,453**	**3,216,395,263**	**301,179,392,370**
Geographical regions				
Chinese Mainland (excluding Hong Kong, Macau and Taiwan)	227,439,951,118	8,366,387,730	3,203,108,083	239,009,446,931
Other countries and regions	61,286,163,536	870,494,723	13,287,180	62,169,945,439
Total	**288,726,114,654**	**9,236,882,453**	**3,216,395,263**	**301,179,392,370**
Timing of transfer of goods				
Transferred at a point in time	11,358,809,576	74,561,587	2,094,076,251	13,527,447,414
Transferred over time	277,367,305,078	9,162,320,866	1,122,319,012	287,651,944,956
Total	**288,726,114,654**	**9,236,882,453**	**3,216,395,263**	**301,179,392,370**

(4) Performance obligations

Revenue recognised from:

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Opening carrying amount of contract liabilities	43,216,941,946	32,835,606,257

54. TAXES AND SURCHARGES

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
City maintenance and construction tax	218,648,927	220,250,929
Educational surcharge	188,154,373	183,498,741
Land appreciation tax	60,238,382	125,333,417
Others	634,358,955	544,769,554
Total	**1,101,400,637**	**1,073,852,641**

55. SELLING EXPENSES

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Labour costs	735,913,411	694,138,902
Travel and transportation expenses	81,766,422	84,968,057
Business expenses	31,786,679	39,357,435
Others	816,587,693	572,082,999
Total	**1,666,054,205**	**1,390,547,393**

56. ADMINISTRATIVE EXPENSES

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Labour costs	4,850,391,241	4,888,145,126
Asset depreciation and amortisation	736,217,446	698,089,685
Office expenses	445,323,505	507,660,821
Travel and transportation expenses	367,433,862	430,696,747
Professional institution service fees	67,539,468	100,448,343
Bidding and tendering expenses	66,690,186	90,211,449
Others	835,076,636	896,772,676
Total	**7,368,672,344**	**7,612,024,847**

57. RESEARCH AND DEVELOPMENT EXPENSES

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
R&D personnel and material costs	6,813,815,954	7,600,393,087
Outsourced R&D expenses	226,025,534	244,250,095
Asset depreciation and amortisation	143,756,002	148,521,714
Others	935,780,543	830,361,990
Total	**8,119,378,033**	**8,823,526,886**

58. FINANCE COSTS

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Interest expense	11,627,128,058	10,574,280,198
Less: Interest income	12,290,625,344	11,224,188,172
Less: Interest capitalised	650,400,220	605,778,756
Foreign exchange losses/(gains)	1,434,855,605	(818,693,536)
Other	980,020,090	909,725,855
Total	**1,100,978,189**	**(1,164,654,411)**

Capitalised interest is specified as follows:

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Included in intangible assets	285,080,539	219,307,361
Included in construction in progress	104,314,073	114,840,132
Included in inventories	261,005,608	271,631,263
Total	**650,400,220**	**605,778,756**

The breakdown of interest income is as follows:

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Interest income from public-private partnership (PPP) projects and primary land development projects	7,287,748,178	7,140,167,257
Interbank lending	2,626,743,594	2,268,744,815
Interest income on deposits	575,036,108	433,291,804
Interest income from CCCC Finance's deposits with the central bank and interbank deposits	251,290,673	252,707,558
Other	1,549,806,791	1,129,276,738
Total	**12,290,625,344**	**11,224,188,172**

59. OTHER INCOME

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Government incentives for major subsidiaries	30,436,096	59,949,485
Refund of taxes	34,025,802	39,685,934
Others	114,157,701	78,735,130
Total	**178,619,599**	**178,370,549**

60. INVESTMENT INCOME

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Losses from long-term equity investments accounted for using the equity method (Note V. 14)	(133,610,093)	(728,141,456)
Investment income from disposal of long-term equity investments	76,644,694	217,717,044
Dividend income from other non-current financial assets held	273,965,173	135,934,355
Investment income from trading financial assets during the holding the period	4,215,893	5,010,367
Interest income from debt investments during the holding period	54,580,721	31,554,197
Dividend income derived from other equity instrument investments during the holding period (Note V. 15)	754,862,643	864,839,641
Investment income/(losses) on disposal of trading financial assets	444,014,204	(5,135,534)
Investment (losses)/income on disposal of subsidiaries (Note VII. 1)	(3,752,618)	401,709,367
Investment losses on disposal of other non-current financial assets	(60,710,970)	(26,142,745)
Losses on derecognition of financial assets and contract assets measured at amortised cost	(237,785,684)	(497,773,818)
Other	51,528,232	(24,011,756)
Total	**1,223,952,195**	**375,559,662**

61. LOSSES FROM FAIR VALUE CHANGES

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Financial assets at fair value through profit or loss		
Of which: Trading equity instrument investments	(115,860,669)	(321,592,298)
Derivative financial instruments	(109,284,863)	(71,995,171)
Debt instrument investments	(4,688,240)	15,459,233
Total	**(229,833,772)**	**(378,128,236)**

62. CREDIT LOSSES

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Bad and doubtful debt losses on trade receivables	892,585,560	1,225,983,090
Bad and doubtful debt losses on other receivables	603,555,557	355,613,572
Bad and doubtful debt losses on long-term receivables	498,082,388	335,084,056
Reversal of bad and doubtful debt losses on notes receivable	(3,445,593)	(708,019)
Bad and doubtful debt losses on debt investments	15,150,000	–
Other	54,853,034	–
Total	**2,060,780,946**	**1,915,972,699**

63. IMPAIRMENT LOSSES

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Expected credit losses on contract assets (including portion classified as other non-current assets)	237,318,845	482,089,840
Impairment losses on fixed assets	45,876,936	3,691,801
Reversal of inventory write-down and contract fulfilment cost impairment	(197,065)	(3,824,920)
Total	**282,998,716**	**481,956,721**

64. GAINS FROM ASSETS DISPOSAL

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Gains from fixed assets disposal	102,655,205	36,398,754
Gains from other long-term assets disposal	18,754,709	11,755,857
Total	**121,409,914**	**48,154,611**

65. NON-OPERATING INCOME

	For the six months ended 30 June 2026	For the six months ended 30 June 2025	Included in the non-recurring profit or loss of the six months ended 30 June 2026
	(Unaudited)	(Unaudited)	(Unaudited)
Insurance claims income	65,273,307	130,923,028	65,273,307
Liquidated damages income	11,470,133	24,759,168	11,470,133
Government grants	7,849,772	9,655,072	7,849,772
Others	74,460,145	213,098,805	74,460,145
Total	**159,053,357**	**378,436,073**	**159,053,357**

66. NON-OPERATING EXPENSES

	For the six months ended 30 June 2026	For the six months ended 30 June 2025	Included in the non-recurring profit or loss of the six months ended 30 June 2026
	(Unaudited)	(Unaudited)	(Unaudited)
External donations	15,746,841	14,440,276	15,746,841
Others	128,080,632	127,099,797	128,080,632
Total	**143,827,473**	**141,540,073**	**143,827,473**

67. EXPENSES BY NATURE

Supplementary information on the Group's operating costs, selling expenses, administrative expenses and research and development expenses analysed by nature is as follows:

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Subcontracting costs for construction works	146,267,982,443	148,496,036,224
Material costs	81,926,905,374	85,713,334,760
Staff costs	28,088,043,818	28,556,186,538
Machinery usage and lease costs	11,743,809,742	9,621,179,774
Depreciation and amortisation	7,048,761,815	6,974,077,600
Cost of goods sold	5,933,445,150	5,422,677,255
Utilities and fuel expenses	2,830,609,757	2,909,852,264
Maintenance costs	2,182,001,327	2,034,175,526
Insurance premiums	1,042,217,799	978,249,306
Others	30,419,333,422	28,299,722,249
Total	**317,483,110,647**	**319,005,491,496**

68. INCOME TAX EXPENSE

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Current income tax expense	2,781,653,867	3,245,201,943
Deferred income tax expense	104,330,861	90,559,672
Total	**2,885,984,728**	**3,335,761,615**

The relationship between income tax expense and total profit is set out as follows:

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Total profit	12,439,832,704	16,202,863,950
Income tax expense calculated at the statutory tax rate (25%)	3,109,958,176	4,050,715,988
Effect of different tax rates applicable to subsidiaries	(958,445,411)	(1,146,178,400)
Share of profits and losses of joint ventures and associates	33,402,523	182,035,364
Effect of non-taxable income	(79,575,354)	(210,761,109)
Super-deduction for R&D expenses	(284,401,455)	(389,413,526)
Effect of non-deductible costs, expenses and losses	159,135,929	122,764,801
Effect of deductible temporary differences arising from deferred tax assets not recognised in prior periods	(485,633)	(546,593)
Effect of tax losses available for set-off arising from deferred tax assets not recognised in prior periods	(99,368,709)	(46,046,033)
Effect of deductible temporary differences or tax losses available for set-off arising from deferred tax assets not recognised in the current period	831,702,997	547,545,307
Effect of adjustments to income tax for prior periods	202,351,248	255,570,316
Other	(28,289,583)	(29,924,500)
Income tax expense at the effective tax rate of the Group	2,885,984,728	3,335,761,615

Note: The income tax expense in Chinese Mainland is calculated based on the profit and tax rates in Chinese Mainland; the income tax expenses in other regions are calculated based on the profit and tax rates prevailing in the countries or regions where the operations are located.

69. EARNINGS PER SHARE

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
	RMB/share	RMB/share
Basic earnings per share		
Continuing operations	0.43	0.56
Diluted earnings per share		
Continuing operations	0.43	0.56

Basic earnings per share are calculated by dividing the net profit for the period attributable to the Company's ordinary shareholders by the weighted average number of ordinary shares in issue.

The numerator for diluted earnings per share is determined based on the net profit for the period attributable to the Company's ordinary shareholders, adjusted for the estimated impact of the dividend for the restricted shares expected to be unlocked; the denominator for diluted earnings per share is equal to the sum of the following two items: the weighted average number of ordinary shares in issue of the parent company used in the calculation of basic earnings per share, and the weighted average number of ordinary shares assumed to have been issued on conversion of dilutive potential ordinary shares into ordinary shares.

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Revenue		
Net profit for the period attributable to ordinary shareholders of the Company	7,276,820,750	9,568,353,540
Of which: from continuing operations	7,276,820,750	9,568,353,540
Less: Interest on perpetual bonds	254,900,000	542,560,979
Less: Effect of dividends on restricted shares	–	17,314,707
Net profit for the period attributable to ordinary shareholders of the Company	7,021,920,750	9,008,477,854
Of which: continuing operations	7,021,920,750	9,008,477,854
Add: Impact of the dividend for the restricted shares expected to be unlocked	–	11,652,109
Adjusted net profit for the period attributable to ordinary shareholders of the Company	7,021,920,750	9,020,129,963
Of which: continuing operations	7,021,920,750	9,020,129,963

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of the Company's ordinary shares in issue	16,150,553,045	16,165,711,425
Dilution effect–weighted average number of ordinary shares under the restricted share incentive scheme	–	31,132,762
Adjusted weighted average number of the Company's ordinary shares in issue	16,150,553,045	16,196,844,187

Note: During the current period, the Company had no dilutive potential ordinary shares; therefore, diluted earnings per share equal basic earnings per share.

70. Notes to items in the cash flow statement

(1) Cash relating to operating activities

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Other cash received relating to operating activities		
Net increase in guarantee deposits and deposits received	405,486,238	7,315,071,861
Loans recovered by CCCC Finance Company Limited	1,226,301,339	3,139,200,587
Inflows of investment returns from investment projects	1,764,639,464	2,440,938,272
Government grants	212,851,958	112,739,012
Increase in deposits in CCCC Finance Company Limited	8,447,922,992	–
Others	5,468,514,911	6,773,480,592
Total	**17,525,716,902**	**19,781,430,324**
Other cash paid relating to operating activities		
Research and development expenditures	5,927,055,489	6,502,054,654
Decrease in deposits in CCCC Finance Company Limited	–	4,997,655,743
Loans granted by CCCC Finance Company Limited	1,550,000,000	1,400,000,000
Travelling and transportation expenses	449,200,284	515,664,804
Office expenses	445,323,505	507,660,821
Others	7,724,115,468	7,542,340,291
Total	**16,095,694,746**	**21,465,376,313**

(2) Cash relating to investing activities

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Cash received relating to significant investing activities		
Cash inflows from holding and disposal of trading financial assets	138,561,400	3,612,286,999
Net cash received from disposal of subsidiaries and other business entities	248,687,382	1,622,318,503
Cash inflows from holding and disposal of other non-current financial assets	847,779,803	1,072,233,984
Total	**1,235,028,585**	**6,306,839,486**
Cash paid relating to significant investing activities		
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	11,408,963,134	14,134,987,567
Cash outflows from purchase of long-term equity investments	1,506,621,947	3,898,646,545
Cash outflows from purchase of trading financial assets	1,000,000,000	3,659,264,292
Loans advanced	4,124,079,359	2,660,574,949
Cash outflows from purchase of other non-current financial assets and other current assets	1,846,898,550	1,530,018,936
Total	**19,886,562,990**	**25,883,492,289**

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Other cash received relating to investing activities		
Loans recovered	705,286,576	1,440,975,888
Consideration for the government purchase of concession projects	1,740,000,000	619,000,000
Interest income	311,407,335	81,420,940
Others	941,657,361	303,009,757
Total	**3,698,351,272**	**2,444,406,585**
Other cash paid relating to investing activities		
Loans advanced	4,124,079,359	2,660,574,949
Increase in fixed-term deposits with maturity over 3 months	31,592,177	81,826,114
Total	**4,155,671,536**	**2,742,401,063**

(3) Cash relating to financing activities

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Other cash received relating to financing activities		
Borrowings secured from related parties and third parties	5,347,730,475	5,822,543,732
Other cash paid relating to financing activities		
Repayment of borrowings from related parties and third parties	5,374,840,398	9,630,606,721
Capital withdrawal by minority shareholders	33,663,367	2,028,021,837
Rent payments for lease liabilities	739,540,960	733,063,569
Equity transactions with minority shareholders	7,825,629	105,415,911
Repurchase of treasury shares	242,699,374	–
Total	**6,398,569,728**	**12,497,108,038**

The movement in various liabilities arising from financing activities are as follows (unaudited):

	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Changes in cash	Non-cash changes	Changes in cash	Non-cash changes	
Borrowings	629,552,404,956	222,891,252,906	24,604,920,056	(144,358,740,809)	–	732,689,837,109
Lease liabilities (including those due within one year)	4,163,881,017	–	769,764,732	(631,591,798)	(108,952,508)	4,193,101,443
Bonds payable (including those due within one year)	69,867,736,534	12,170,000,000	968,124,017	(3,209,205,390)	–	79,796,655,161
Other current liabilities – short-term financing bonds and other short-term bonds	14,036,131,530	66,300,000,000	145,523,212	(29,600,000,000)	–	50,881,654,742
Dividends payables	4,164,488,499	–	1,693,054,097	(3,126,921,872)	–	2,730,620,724
Obligation to repurchase treasury shares	667,260,069	242,699,374	–	–	(526,786,841)	383,172,602
Total	**722,451,902,605**	**301,603,952,280**	**28,181,386,114**	**(180,926,459,869)**	**(635,739,349)**	**870,675,041,781**

(4) Major activities that do not involve cash receipts and payments for the period

For the six months ended 30 June 2026, the Group utilised bank acceptance bills received from sales of goods and provision of services by way of endorsement and transfer to settle purchases of goods and services, in the amount of RMB700,443,780 (six months ended 30 June 2025: RMB427,912,074). For major investing and financing activities of the Group that do not involve cash receipts and payments, please see Note V. 71(2).

71. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

Reconciliation of net profit to cash flows generated from operating activities:

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Net profit	9,553,847,976	12,867,102,335
Add: Impairment losses	282,998,716	481,956,721
Credit losses	2,060,780,946	1,915,972,699
Depreciation of fixed assets	3,881,571,508	3,928,653,453
Depreciation of right-of-use assets	743,226,963	779,683,763
Amortisation of intangible assets	1,977,762,694	1,903,647,757
Depreciation of investment properties	275,251,178	202,528,180
Amortisation of long-term deferred expenses	170,949,472	159,564,447
Gains from disposal of fixed assets, intangible assets and other long-term assets	(121,409,914)	(48,154,611)
Losses from fair value changes	229,833,772	378,128,236
Finance costs	12,191,972,823	9,232,107,869
Share-based payment expense	1,025,506	110,075,533
Investment income	(1,461,737,879)	(873,333,480)
Increase in deferred tax assets	(713,610,690)	(767,298,764)
Increase in deferred tax liabilities	817,941,551	857,858,436
Increase in inventories	(6,117,016,059)	(10,494,865,588)
Increase in contract assets	(20,940,551,996)	(47,277,921,573)
Increase in operating receivables	(58,069,919,814)	(74,051,541,529)
(Decrease)/increase in operating payables	(5,629,042,793)	23,394,977,687
Net cash flows from operating activities	**(60,866,126,040)**	**(77,300,858,429)**

(2) Major investing and financing activities not involving cash receipts and payments

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
New additions of right-of-use assets	802,202,330	828,136,903

(3) Composition of cash and cash equivalents

	30 June 2026	31 December 2025
	(Unaudited)	
Cash	188,300,200,957	151,056,340,289
Including: Cash in hand	27,418,836	33,949,113
Bank balances	183,523,509,536	146,152,860,794
Other monetary funds	4,749,272,585	4,869,530,382
Less: Restricted monetary funds and fixed-term deposits with maturity over 3 months	9,741,191,066	11,226,111,615
Cash and cash equivalents balance at the end of the period/year	**178,559,009,891**	**139,830,228,674**

(4) Monetary funds not classified as cash and cash equivalents

	30 June 2026	31 December 2025	Reason
	(Unaudited)		
Restricted monetary funds	9,403,125,224	10,919,637,950	Restricted right to use or ownership
Fixed-term deposits with maturity over 3 months	338,065,842	306,473,665	Classified as investment projects
Total	**9,741,191,066**	**11,226,111,615**	

(5) Supplier financing arrangements

The Group handles reverse factoring business through commercial banks to provide factoring services for relevant suppliers. The banks agree to transfer the receivables from designated suppliers to the Group for reasons such as selling goods and providing services to the Group, and provide financing services to relevant suppliers. Factoring is at the discretion of the supplier and the participating supplier can receive financing funds from the bank in advance. The payment terms between the Group and the supplier have not changed due to the reverse factoring arrangement.

The Group handles reverse factoring business through the supply chain financial service platform provided by commercial banks. The original creditor (supplier of the Group) initiates an application through the platform and provides receivables information and trade background information. After the platform reviews, the electronic creditor's rights voucher is generated and submitted to the Group for confirmation through the platform. The Group's payment obligations under electronic creditor's rights certificates are unconditional and irrevocable, and are not affected by commercial disputes between parties involved in the circulation of electronic creditor's rights certificates. The Group does not claim set-off or defend against the payment liability. The Group will transfer an amount equal to the amount under the electronic creditor's rights certificate on the payment date according to the business rules of the platform.

The Group also launches supply-chain asset securitisation business. The original creditors (the Group's suppliers) transfer their accounts receivable under underlying transaction contracts from selling goods and providing services to the Group as underlying assets, which are offered to investors through a special-purpose asset support plan. The Group provides a payment confirmation letter to the special-purpose asset support plan to confirm its obligation to settle the accounts receivable held by such plan upon maturity. The Group unconditionally and irrevocably undertakes to discharge the obligation to settle the target accounts receivable before the maturity of each accounts receivable.

Information on financial liabilities related to supplier financing is as follows:

	30 June 2026 (unaudited)		31 December 2025	
	Book value	Including: Amount received by suppliers	Book value	Including: Amount received by suppliers
Accounts payable	115,715,762,296	62,335,828,892	89,195,876,949	71,508,225,570
Other payables	7,494,075,631	3,919,533,555	4,261,115,269	4,023,071,639
Total	**123,209,837,927**	**66,255,362,447**	**93,456,992,218**	**75,531,297,209**

72. FOREIGN CURRENCY MONETARY ITEMS

	30 June 2026 (Unaudited)			31 December 2025		
	Original currency	Exchange rate	RMB equivalent	Original currency	Exchange rate	RMB equivalent
Cash and cash equivalents						
USD	2,179,060,673	6.8109	14,841,364,338	2,491,984,941	7.0288	17,515,663,753
AUD	729,730,447	4.6804	3,415,430,384	1,185,677,565	4.6892	5,559,879,238
EUR	490,429,562	7.7671	3,809,215,451	473,819,244	8.2355	3,902,138,384
HKD	1,425,497,946	0.8686	1,238,187,516	1,347,786,878	0.9032	1,217,321,108
MYR	510,844,017	1.6734	854,846,378	366,072,385	1.7319	634,000,764
Other			20,369,032,508			14,890,316,350
			44,528,076,575			**43,719,319,597**
Trade receivables						
USD	1,239,579,489	6.8109	8,442,651,942	1,077,395,215	7.0288	7,572,795,487
XAF	66,628,076,923	0.0117	779,548,500	69,819,030,000	0.0126	879,719,778
AUD	54,668,534	4.6804	255,870,607	92,082,241	4.6892	431,792,044
Other			6,351,118,271			6,389,485,027
			15,829,189,320			**15,273,792,336**
Other receivables						
USD	258,553,753	6.8109	1,760,983,756	262,547,070	7.0288	1,845,390,846
HKD	451,422,207	0.8686	392,105,329	348,334,136	0.9032	314,615,392
SAR	41,435,542	1.8104	75,014,905	46,324,220	1.8680	86,533,643
Other			3,543,804,404			2,584,142,132
			5,771,908,394			**4,830,682,013**
Long-term receivables						
USD	417,929,512	6.8109	2,846,476,113	374,440,302	7.0288	2,631,865,995
HKD	484,150,094	0.8686	420,532,772	484,150,094	0.9032	437,284,365
MOP	27,416,582	0.8432	23,117,662	21,727,609	0.8763	19,039,904
XAF	140,984,544,872	0.0117	1,649,519,175	138,680,318,016	0.0126	1,747,372,007
Other			3,113,955,456			3,308,892,282
			8,053,601,178			**8,144,454,553**
Short-term borrowings						
USD	50,144,026	6.8109	341,525,947	88,748,225	7.0288	623,793,524
JPY	5,490,022,452	0.0420	230,580,943	5,652,387,545	0.0448	253,226,962
EUR	71,643,938	7.7671	556,465,631	59,761,227	8.2355	492,163,585
HKD	511,568,041	0.8686	444,348,000	505,000,000	0.9032	456,116,000
Other			4,970,333,018			3,481,720,852

	30 June 2026 (Unaudited)			31 December 2025		
	Original currency	Exchange rate	RMB equivalent	Original currency	Exchange rate	RMB equivalent
			6,543,253,539			**5,307,020,923**
Trade payables						
USD	957,042,780	6.8109	6,518,322,670	1,056,807,646	7.0288	7,428,089,582
HKD	1,965,470,208	0.8686	1,707,207,423	2,604,190,319	0.9032	2,352,104,696
AUD	1,064,409,132	4.6804	4,981,860,501	1,153,705,856	4.6892	5,409,957,500
MOP	561,809,776	0.8432	473,718,003	526,815,739	0.8763	461,648,632
Other			12,523,219,634			12,047,989,781
			26,204,328,231			**27,699,790,191**
Other payables						
USD	172,752,391	6.8109	1,176,599,260	151,471,730	7.0288	1,064,664,496
KWD	32,102,346	22.1205	710,119,945	893,689	22.8249	20,398,362
MOP	375,034,183	0.8432	316,228,823	343,689,759	0.8763	301,175,336
Other			2,173,672,002			1,818,413,899
			4,376,620,030			**3,204,652,093**
Long-term borrowings						
USD	559,563,076	6.8109	3,811,128,154	547,606,128	7.0288	3,849,013,952
EUR	203,919,658	7.7671	1,583,864,376	210,440,054	8.2355	1,733,079,065
Other			6,903,917,125			6,551,795,134
			12,298,909,655			**12,133,888,151**
Long-term payables						
USD	339,544,893	6.8109	2,312,606,312	336,314,303	7.0288	2,363,885,973
MOP	140,985,206	0.8432	118,878,726	155,699,133	0.8763	136,439,150
EUR	15,959,306	7.7671	123,957,526	12,832,637	8.2355	105,683,182
Other			3,873,278,897			3,865,265,374
			6,428,721,461			**6,471,273,679**

73. Lease

(1) As lessee

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Interest expenses on lease liabilities	116,182,135	110,563,546
Expenses on short-term leases recognised through profit or loss accounted for under the simplified approach	1,155,821,142	1,351,170,163
Expenses on leases of low-value assets recognised through profit or loss accounted for under the simplified approach (excluding short-term leases)	90,194	400,291
Variable lease payments not included in the measurement of lease liabilities	1,264,559	11,918,985
Total cash outflows related to leases	**1,587,586,144**	**1,333,470,491**

Leased assets of the Group include buildings and structures, plant and equipment, transportation equipment and other equipment utilised in operations. Lease terms are generally 1-10 years for buildings and structures, 1-10 years for vessels, 1-5 years for plant and equipment, 1-5 years for transportation equipment, and 1-5 years for other equipment. Under the lease contracts, the Group is normally prohibited from sub-letting the leased assets. Certain lease contracts require the Group to maintain specified levels of financial metrics. A small number of lease contracts contain terms of renewal options, termination options and variable rents.

Future potential cash outflows not included in in the measurement of lease liabilities mainly arise from:

(1) Variable lease payments

Certain transportation equipment and vessels of the Group contain terms of variable lease payments linked to the progress of construction completion. Where practicable, the Group applies such terms with a view to matching lease payments with the actual cash flows generated.

(2) Renewal option and termination option

For the six months ended 30 June 2026, there were no changes to lease terms for the Group arising from changes in the assessment or actual exercise of renewal options or termination options (2025: Nil).

(3) Lease committed but not yet commenced

As at 30 June 2026, the Group had no cash outflows expected within one year in respect of committed leases that had not yet commenced (31 December 2025: Nil).

(2) As lessor

The Group leased out certain buildings and structures with lease terms ranging from 1-20 years, which are classified as operating leases. Certain lease contracts contain terms of renewal options, termination options and variable rents. Given the anticipated existence of a secondary market, the residual value risk of the leased assets is not significant.

The Group also leased out certain idle plant and equipment, vessels and transportation equipment with lease terms ranging from 1-10 years, which are classified as operating leases.

Operating lease

Gains or losses related to operating leases are presented as follows:

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Rental income	566,772,233	520,287,188

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

	30 June 2026	31 December 2025
	(Unaudited)	
Within one year (inclusive)	935,279,129	1,011,423,656
One to two years (inclusive)	355,809,822	522,482,553
Two to three years (inclusive)	225,315,670	320,233,511
Three to four years (inclusive)	114,712,653	143,831,082
Four to five years (inclusive)	68,595,978	86,357,351
Over five years	83,700,580	147,182,398
Total	**1,783,413,832**	**2,231,510,551**

For fixed assets under operating lease, please see Note V. 18.

Finance lease

Gains or losses related to finance leases are presented as follows:

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Finance income from net lease investment	1,714,836,212	1,653,786,142

The undiscounted minimum lease payments based on the lease contract signed with lessee are as follows:

	30 June 2026	31 December 2025
	(Unaudited)	
Within one year (inclusive)	42,026,935,936	35,632,097,975
One to two years (inclusive)	22,362,260,193	19,095,363,644
Two to three years (inclusive)	10,771,508,829	6,883,634,830
Three to four years (inclusive)	1,488,865,899	1,539,203,811
Four to five years (inclusive)	644,506,184	822,367,982
Over five years	857,100,902	314,812,813
Sub-total	**78,151,177,943**	**64,287,481,055**
Less: Unearned finance income	5,291,717,229	4,413,078,895
Net lease investment	**72,859,460,714**	**59,874,402,160**

VI. R&D EXPENDITURE

1. By nature

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
R&D personnel and material costs	6,813,815,954	7,617,214,453
Outsourced R&D fees	226,025,534	284,628,618
Asset depreciation and amortisation	143,756,002	149,150,808
Other	967,266,054	840,425,992
Total	**8,150,863,544**	**8,891,419,871**
Including: R&D expenditure as cost	8,119,378,033	8,823,526,886
R&D expenditure capitalised	31,485,511	67,892,985

2. Expenditure of R&D projects qualifying for capitalisation

	Opening balance	Increase in in-house development for the period	Decrease in recognition of intangible assets for the period	Closing balance
		(Unaudited)	(Unaudited)	(Unaudited)
Data resources	–	1,206,853	(1,206,853)	–
Software	310,463,795	28,894,077	(633,014)	338,724,858
Trademarks, patent rights, proprietary technology and copyrights	21,138,609	1,384,581	–	22,523,190
Total	**331,602,404**	**31,485,511**	**(1,839,867)**	**361,248,048**

VII. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Disposal of subsidiaries

In January 2026, CCCC First Highway Engineering Group Co., Ltd. ("CCCC First Highway"), a subsidiary of the Company, withdrew from Yunxin (Jiaxing) Equity Investment Partnership (Limited Partnership)* (昀鑫(嘉興)股權投資合夥企業(有限合夥)). Upon the withdrawal, the Group no longer had control over Yunxin (Jiaxing) Equity Investment Partnership (Limited Partnership) and no longer included the company in the scope of consolidation.

Relevant financial information of the above company is set out below:

	Carrying amount on the disposal date
Current assets	4,420,000
Non-current assets	293,610,000
Sub-total	**298,030,000**
Less: Minority interest	45,000,000
Less: Losses from disposal (Note V. 60)	3,752,618
Disposal consideration	**249,277,382**

Information of disposal of the subsidiary

	For the six months ended 30 June 2026
	(Unaudited)
Cash and cash equivalents received in the current period from disposal of the subsidiary during the period	249,277,382
Less: Cash and cash equivalents held by the subsidiary on the date of loss of control	590,000
Net cash received for disposal of the subsidiary (Note V. 70(2))	**248,687,382**

2. Other changes of consolidation scope

In 2026, the Group acquired control of Guizhou CCCC Deyu Expressway Co., Ltd.* (貴州中交德餘高速公路有限公司) ("Deyu Expressway"), Guizhou CCCC Yushi Expressway Development Co., Ltd.* (貴州中交玉石高速公路發展有限公司) ("Yushi Expressway") and CCCC Zigong Urban Construction Development Co., Ltd.* (中交自貢城市建設發展有限公司) ("CCCC Zigong"), respectively, from third parties.

In respect of the aforesaid transactions, management performed a concentration test and accounted for such transactions as asset acquisitions. The financial information of the relevant assets as at the acquisition date is presented below:

	Fair value on the acquisition date
Intangible assets (Note V. 21)	21,633,473,386
Other non-current assets	10,416,139,469
Other assets	1,749,863,930
Total liabilities	26,544,802,042
Fair value of the identifiable net assets at the acquisition date	5,988,505,717
Minority interest	1,266,169,026
Acquisition consideration	5,988,505,717
Including: Cash consideration	3,823,250,135
Carrying amount of equity originally held	2,165,255,582

The information of asset acquisition is as follows:

	For the six months ended 30 June 2026
	(Unaudited)
Cash and cash equivalents paid for asset acquisition	3,823,250,135
Less: Cash and cash equivalents held by asset acquisition	52,016,467
Net cash paid for asset acquisition	**3,771,233,668**

VIII. EQUITY IN OTHER ENTITIES

1. Equity in subsidiaries

(1) Composition of the enterprise group

Subsidiaries obtained through establishment or investment

					Shareholding percentage (%)		
	Main premises	Registration place	Business nature	Paid-in capital (RMB'0,000)	Direct	Indirect (note)	Percentage of voting rights (%)
CCCC Investment Co., Ltd.	PRC	Beijing	Investment holding	1,250,000	100.00	–	100.00
PT China Communications Construction Indonesia (中國交通建設印度尼西亞有限公司)	Indonesia	Indonesia	Investment holding	USD695	100.00	–	100.00
CCCC Highway Bridge National Engineering Research Centre Co., Ltd.* (中交公路長大橋建設國家工程研究中心有限公司)	PRC	Beijing	Research and development, design and consultancy	13,000	5.00	83.00	88.00
Road & Bridge International Co., Ltd.	PRC	Beijing	Infrastructure construction	397,393	84.57	–	84.57
CCCC Mechanical & Electrical Engineering Co., Ltd.	PRC	Beijing	Infrastructure construction	83,333	60.00	40.00	100.00
CCCC Haixi Investment Co., Ltd.* (中交海西投資有限公司)	PRC	Xiamen	Investment holding	100,000	100.00	–	100.00
CCCC Finance	PRC	Beijing	Financial Services	700,000	95.00	–	95.00
CCCC Capital Holdings Limited* (中交資本控股有限公司)	PRC	Beijing	Fund management, financial leasing and commercial factoring	1,000,000	100.00	–	100.00
CCCC Yunnan Highway Development Co., Ltd.* (中交雲南高速公路發展有限公司)	PRC	Kunming	Infrastructure construction	100,000	83.00	–	83.00
CCCC Dredging (Group) Co., Ltd.	PRC	Shanghai	Dredging	1,177,545	99.90	0.10	100.00
CCCC Strait Construction Investment and Development Co., Ltd.* (中交海峽建設投資發展有限公司)	PRC	Fuzhou	Investment holding	100,000	100.00	–	100.00
CCCC Infrastructure Development Company Limited	PRC	Hong Kong	Infrastructure construction	USD1,446	59.37	40.63	100.00
CCCC Urban Investment Holding Co., Ltd.	PRC	Guangzhou	Investment holding	1,000,000	100.00	–	100.00
CCCC Asset Management Co., Ltd.	PRC	Beijing	Investment holding	2,073,261	35.37	64.63	100.00
China Traffic Construction USA, Inc. (中國交通建設(美國)有限公司)	US	US	Investment holding	USD4,574	40.07	36.08	76.15
CCCC Railway Design and Research Institute Co., Ltd.* (中交鐵道設計研究總院有限公司)	PRC	Beijing	Infrastructure design	50,000	57.30	42.70	100.00
CCCC Quanzhou Expressway Co., Ltd.* (中交泉州高速公路有限責任公司)	PRC	Quanzhou	Infrastructure construction	5,000	78.00	–	78.00

					Shareholding percentage (%)		
	Main premises	Registration place	Business nature	Paid-in capital (RMB'0,000)	Direct	Indirect (note)	Percentage of voting rights (%)
CCCC Yunnan Qujing Dachang Expressway Investment and Construction Co., Ltd. * (中交雲南曲靖大昌高速公路投資建設有限公司)	PRC	Kunming	Infrastructure construction	10,000	83.00	–	83.00
CCCC Ocean Investment Holding Company Limited* (中交海洋投資控股有限公司)	PRC	Sanya	Infrastructure construction	357,000	100.00	–	100.00
CCCC Taizhou Investment and Construction Co., Ltd.* (中交泰州投資建設有限公司)	PRC	Taizhou	Infrastructure construction	50,000	90.00	–	90.00
CCCC Taixing Investment and Development Co., Ltd.* (中交泰興投資發展有限公司)	PRC	Taixing	Infrastructure construction	40,000	60.00	29.90	89.90
CCCC Southern Latin American Regional Company (中國交建南部拉美區域公司)	Brazil	The Grand Duchy of Luxembourg	Investment holding	USD19,358	47.00	53.00	100.00
CCCC (Beijing) One-term Equity Investment Fund Partnership (Limited Partnership)* (北京中交建壹期股權投資基金合夥企業(有限合夥)) (hereinafter referred to as "CCCC (Beijing) One-term Equity Investment Fund LLP")	PRC	Beijing	Investment holding	195,245	59.90	0.10	60.00
CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd.	PRC	Tianjin	Infrastructure construction	490,434	45.00	6.00	51.00
CCCC (Chengdu) Municipal Construction Co., Ltd.* (中交(成都)市政建設有限公司)	PRC	Chengdu	Infrastructure construction	10,000	100.00	–	100.00
CCCC (Tianjin) Rail Transit Investment and Development Co., Ltd.* (中交(天津)軌道交通投資發展有限公司)	PRC	Tianjin	Infrastructure construction	59,690	48.00	3.00	51.00
CCCC Heilongjiang Construction and Development Co., Ltd.* (中交黑龍江建設發展有限公司)	PRC	Harbin	Infrastructure construction	5,000	100.00	–	100.00
Epoch Capital Investments B.V. (荷蘭新時代資本投資公司)	Netherlands	Netherlands	Investment holding	EUR4,710	100.00	–	100.00
CCCC Overseas Treasury Management Limited	PRC	Hong Kong	Investment holding	USD10,000	95.00	5.00	100.00
CCCC Oman Co., Ltd. (中國交建阿曼有限公司)	Oman	Muscat	Infrastructure construction	OMR25	100.00	–	100.00
CCCC Western Investment Co., Ltd.* (中交西部投資有限公司)	PRC	Chengdu	Investment holding	440,000	100.00	–	100.00
CCCC Design Consulting Group Co., Ltd.	PRC	Gansu Province	Infrastructure design	229,460	48.41	2.33	50.74
Gansu Qilianshan Cement Group Ltd.* (甘肅祁連山水泥集團有限公司)	PRC	Gansu Province	Production and sales of building materials	120,000	85.00	–	85.00
Forsea Holdings PTE. Ltd.	Singapore	Singapore	Infrastructure construction	SGD30	100.00	–	100.00
CCCC General Contracting Engineering (Hainan) Co., Ltd.*(中交總承包工程(海南)有限公司)	PRC	Haikou	Infrastructure construction	55,000	29.00	71.00	100.00

Subsidiaries acquired through business combinations involving entities under common control

					Shareholding percentage (%)		
	Main premises	Registration place	Business nature	Paid-in capital (RMB'0,000)	Direct	Indirect (note)	Percentage of voting rights (%)
China Harbour Engineering Co., Ltd.	PRC	Beijing	Infrastructure construction	600,000	50.10	49.90	100.00
China Road and Bridge Corporation	PRC	Beijing	Infrastructure construction	600,000	99.64	0.36	100.00
CCCC First Harbour Engineering Co., Ltd.	PRC	Tianjin	Infrastructure construction	729,484	91.20	–	91.20
CCCC Second Harbour Engineering Co., Ltd.	PRC	Wuhan	Infrastructure construction	532,855	87.76	–	87.76
CCCC Third Harbour Engineering Co., Ltd.	PRC	Shanghai	Infrastructure construction	602,095	92.87	–	92.87
CCCC Fourth Harbour Engineering Co., Ltd.	PRC	Guangzhou	Infrastructure construction	496,568	100.00	–	100.00
CCCC First Highway Engineering Group Co., Ltd.	PRC	Beijing	Infrastructure construction	765,888	81.54	–	81.54
CCCC Second Highway Engineering Co., Ltd.	PRC	Xi'an	Infrastructure construction	394,220	91.76	–	91.76
CCCC Third Highway Engineering Co., Ltd.	PRC	Beijing	Infrastructure construction	215,619	70.00	–	70.00
CCCC Construction Group Co., Ltd.	PRC	Beijing	Infrastructure construction	217,686	83.70	–	83.70
CCCC Water Transportation Consultants Co., Ltd.	PRC	Beijing	Infrastructure design	81,805	100.00	–	100.00
CCCC First Harbour Consultants Co., Ltd.	PRC	Tianjin	Infrastructure design	72,280	100.00	–	100.00
CCCC Second Harbour Consultants Co., Ltd.	PRC	Wuhan	Infrastructure design	42,836	100.00	–	100.00
CCCC Third Harbour Consultants Co., Ltd.	PRC	Shanghai	Infrastructure design	73,050	100.00	–	100.00
CCCC Fourth Harbour Consultants Co., Ltd.	PRC	Guangzhou	Infrastructure design	63,037	100.00	–	100.00
CCCC Highway Engineering Consultants Corporation	PRC	Beijing	Infrastructure design	74,976	100.00	–	100.00
CCCC Xi'an Road Construction Machinery Co., Ltd.	PRC	Xi'an	Machinery manufacturing	43,312	54.31	45.69	100.00
China Highway Vehicle & Machinery Co., Ltd.	PRC	Beijing	Automotive equipment sales	16,839	100.00	–	100.00
Chuwa Bussan Co., Ltd.	PRC	Japan	Trading and sales	JPY10,000	99.97	–	99.97
CCCC Shanghai Equipment Engineering Co., Ltd.	PRC	Shanghai	Machinery design and manufacturing	1,000	55.00	–	55.00
CCCC International Holding Limited	PRC	Hong Kong	Investment holding	HKD388,152	71.36	28.64	100.00

					Shareholding percentage (%)		
	Main premises	Registration place	Business nature	Paid-in capital (RMB'0,000)	Direct	Indirect (note)	Percentage of voting rights (%)
China Communications Materials & Equipment Co., Ltd.	PRC	Beijing	Trading and sales	173,443	100.00	–	100.00
China Communications Construction Company (M) Sdn Bhd (中交建設(馬來西亞)有限公司)	Malaysia	Kuala Lumpur	Infrastructure construction	MYR100	100.00	–	100.00
CCCC Tianhe Machinery and Equipment Manufacturing Co., Ltd.	PRC	Changshu	Machinery manufacturing	127,741	81.52	11.74	93.26
Guizhou Yande Expressway Investment and Construction Co., Ltd.* (貴州省沿德高速公路投資建設有限公司)	PRC	Tongren	Infrastructure construction	177,550	51.00	49.00	100.00
Chongqing Yongjiang Expressway Investment and Construction Co., Ltd.* (重慶永江高速公路投資建設有限公司)	PRC	Chongqing	Infrastructure construction	151,793	51.00	49.00	100.00
CCCC South China Construction and Development Co., Ltd.	PRC	Shenzhen	Infrastructure construction	92,257	100.00	–	100.00
CCCC Changjiang Construction and Development Group Co., Ltd.	PRC	Chongqing	Infrastructure construction	266,746	51.00	23.98	74.98

Note: Indirect shareholding percentage represents the equity interest ratio held by the Group through its subsidiaries.

(2) Subsidiaries with significant minority interests

For the six months ended 30 June 2026 (unaudited)

	Shareholding of minority interests (%)	Loss or profit attributable to minority interests	Dividends distributed to minority interests	Accumulated minority interests at the end of the period
CCCC First Highway Engineering Group Co., Ltd.	18.46	114,489,127	–	3,059,482,660
CCCC Construction Group Co., Ltd.	16.30	46,665,080	–	1,563,654,561
CCCC First Harbour Engineering Co., Ltd.	8.80	51,058,980	–	1,229,487,168
CCCC Second Harbour Engineering Co., Ltd.	12.24	62,999,913	–	2,090,327,339
Road & Bridge International Co., Ltd.	15.43	97,425,274	–	1,844,132,821
CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd.	49.00	20,574,183	–	2,379,951,724
CCCC Design Consulting Group Co., Ltd.	49.26	151,972,105	143,313,360	8,171,620,866
Gansu Qilianshan Cement Group Ltd.* (甘肅祁連山水泥集團有限公司)	15.00	2,363,157	–	1,447,514,633

2025

	Shareholding of minority interests (%)	Loss or profit attributable to minority interests	Dividends distributed to minority interests	Accumulated minority interests at the end of the year
CCCC First Highway Engineering Group Co., Ltd.	18.46	71,444,060	345,484,932	2,944,993,533
CCCC Construction Group Co., Ltd.	16.30	92,348,374	218,000,000	1,516,989,481
CCCC First Harbour Engineering Co., Ltd.	8.80	126,585,010	174,580,822	1,178,428,188
CCCC Second Harbour Engineering Co., Ltd.	12.24	218,920,746	340,427,397	2,027,327,426
Road & Bridge International Co., Ltd.	15.43	155,557,284	244,000,000	1,746,707,547
CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd.	49.00	4,219,258	–	2,359,377,541
CCCC Design Consulting Group Co., Ltd.	49.26	720,193,103	261,516,915	8,171,706,522
Gansu Qilianshan Cement Group Ltd.* (甘肅祁連山水泥集團有限公司)	15.00	1,402,579	39,750,093	1,445,680,204

Note: As at 30 June 2026, the balance of perpetual bonds issued by the Company's subsidiaries totaled RMB110,378,756,652. These perpetual bonds are classified as equity instruments and presented as minority interests in the Group's consolidated financial statements.

(3) Main financial information of subsidiaries with significant minority interests

The main financial information listed below represents the amounts before any offsetting among the enterprises within the Group

For the six months ended 30 June 2026 (unaudited)

	CCCC First Highway Engineering Group Co., Ltd.	CCCC Construction Group Co., Ltd.	CCCC First Harbour Engineering Co., Ltd.	CCCC Second Harbour Engineering Co., Ltd.
Current assets	123,044,839,315	49,141,999,243	60,171,814,801	96,099,581,816
Non-current assets	192,030,394,579	67,208,085,489	47,896,295,161	64,568,613,053
Total assets	**315,075,233,894**	**116,350,084,732**	**108,068,109,962**	**160,668,194,869**
Current liabilities	167,841,571,397	68,535,390,690	73,285,792,048	100,427,784,259
Non-current liabilities	98,823,318,277	27,673,733,092	12,321,969,109	28,091,073,822
Total liabilities	**266,664,889,674**	**96,209,123,782**	**85,607,761,157**	**128,518,858,081**
Revenue from operations	52,736,914,746	16,871,982,140	20,701,162,790	36,400,453,616
Net profit	854,882,848	256,031,526	497,643,640	636,327,736
Total comprehensive income	851,825,206	286,837,653	440,762,223	633,025,834
Net cash flow from operating activities	(9,879,607,081)	(2,188,969,736)	3,325,318,392	(4,090,889,910)

	Road & Bridge International Co., Ltd.	CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd.	CCCC Design Consulting Group Co., Ltd.	Gansu Qilianshan Cement Group Ltd.* (甘肅祁連山水泥集團有限公司)
Current assets	43,867,681,833	538,061,513	21,481,427,763	2,327,761,380
Non-current assets	96,095,499,883	15,492,268,015	9,131,436,346	10,653,194,624
Total assets	**139,963,181,716**	**16,030,329,528**	**30,612,864,109**	**12,980,956,004**
Current liabilities	61,797,501,647	203,904,282	11,759,597,340	2,944,594,474
Non-current liabilities	49,446,245,828	10,351,079,267	2,542,778,157	776,433,794
Total liabilities	**111,243,747,475**	**10,554,983,549**	**14,302,375,497**	**3,721,028,268**
Revenue from operations	25,129,417,974	148,260,807	4,058,955,997	2,085,861,841
Net profit	722,432,350	42,862,882	314,612,432	157,599,048
Total comprehensive income	689,864,600	42,862,882	302,012,653	157,599,048
Net cash flow from operating activities	(2,116,821,964)	141,886,220	(1,465,358,662)	109,411,913

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	CCCC First Highway Engineering Group Co., Ltd.	CCCC Construction Group Co., Ltd.	CCCC First Harbour Engineering Co., Ltd.	CCCC Second Harbour Engineering Co., Ltd.
Current assets	115,170,639,066	48,208,172,794	51,408,064,310	91,078,199,165
Non-current assets	169,403,198,460	65,282,448,300	45,838,234,042	62,365,152,072
Total assets	**284,573,837,526**	**113,490,621,094**	**97,246,298,352**	**153,443,351,237**
Current liabilities	159,357,143,547	69,650,724,850	64,416,420,590	94,778,639,645
Non-current liabilities	79,756,339,057	25,519,008,716	11,875,411,523	27,885,889,883
Total liabilities	**239,113,482,604**	**95,169,733,566**	**76,291,832,113**	**122,664,529,528**
Revenue from operations	115,329,262,758	33,984,059,134	51,777,421,065	75,900,674,314
Net profit	1,326,743,847	289,391,443	1,014,984,361	1,714,467,099
Total comprehensive income	1,359,693,477	223,456,700	940,179,752	1,715,128,168
Net cash flow from operating activities	3,971,980,160	19,380,530	1,847,015,563	3,347,521,532

	Road & Bridge International Co., Ltd.	CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd.	CCCC Design Consulting Group Co., Ltd.	Gansu Qilianshan Cement Group Ltd.* (甘肅祁連山水泥集團有限公司)
Current assets	38,850,491,240	623,882,031	21,445,780,088	2,607,859,200
Non-current assets	77,435,152,065	15,278,675,733	9,311,248,954	10,404,494,350
Total assets	**116,285,643,305**	**15,902,557,764**	**30,757,029,042**	**13,012,353,550**
Current liabilities	54,999,485,316	53,597,000	11,820,727,321	3,260,539,050
Non-current liabilities	33,263,348,181	10,416,477,667	2,630,098,795	643,938,248
Total liabilities	**88,262,833,497**	**10,470,074,667**	**14,450,826,116**	**3,904,477,298**
Revenue from operations	58,650,544,894	328,991,581	11,060,024,199	5,139,224,363
Net profit	1,612,665,935	8,790,120	1,467,633,608	310,101,454
Total comprehensive income	1,539,929,563	8,790,120	1,455,040,825	310,101,454
Net cash flow from operating activities	436,014,084	468,369,269	352,909,959	1,059,481,419

2. Equity in joint ventures and associates

(1) Major joint ventures or associates

The main joint ventures of the Group are as follows:

				Shareholding percentage (%)	
	Main premises/registration place	Nature of business	Strategic for the Group or not	Direct	Indirect
Joint ventures					
CCCC Xinjiang Transportation Investment and Development Co., Ltd.* (中交新疆交通投資發展有限公司)	Korla	Expressway investment, construction, operation and maintenance	No	9.86	0.14
CORE/Related Grand Ave JV. LLC	the United States	Real estate development	No	–	89.00
CCCC Jijiao Expressway Investment and Development Co., Ltd.* (中交建冀交高速公路投資發展有限公司)	Shijiazhuang	Expressway construction and operation management	No	–	30.00
Mota-Engil SGPS,S.A.	Portugal	Infrastructure construction	No	–	31.00
Chengdu Jinjiang Greenway Construction Investment Group Co., Ltd.* (成都錦江綠道建設投資集團有限公司)	Chengdu	Municipal infrastructure investment, construction, operation and maintenance	No	–	39.00
Guizhou Guihuang Expressway Co., Ltd. * (貴州貴黃高速公路有限公司)	Qiannan Buyi and Miao Autonomous Prefecture	Expressway operation, maintenance, and management services	No	–	39.00
Guizhou Guijin Expressway Co., Ltd.* (貴州貴金高速公路有限公司)	Guiyang	Expressway construction and operation management	No	–	30.66
Guizhou Zhongjiao Jianrong Expressway Co., Ltd.* (貴州中交劍榕高速公路有限公司)	Qiandongnan Miao and Dong Autonomous Prefecture	Expressway construction and operation management	No	–	59.90
Chongqing Yuxiang Double Line Expressway Co., Ltd.* (重慶渝湘復線高速公路有限公司)	Chongqing	Expressway construction and operation management	No	–	15.00
CCCC Chengdu Rail Transit Investment and Construction Co., Ltd.* (中交成都軌道交通投資建設有限公司)	Chengdu	Rail transit construction, operation management and maintenance	No	–	42.00
Guangxi Pingcen Expressway Co., Ltd.* (廣西平岑高速公路有限公司)	Wuzhou	Highway management and maintenance, construction engineering	No	–	50.00
Tangshan Quanyu Water Control Ecological Construction Group Co., Ltd.* (唐山全域治水生態建設集團有限公司)	Tangshan	Environmental protection engineering construction and operation management	No	–	67.87

The main associates of the Group are as follows:

				Shareholding percentage (%)	
	Main premises/registration place	Nature of business	Strategic for the Group or not	Direct	Indirect
Associates					
ZPMC	Shanghai	Equipment manufacturing	No	16.24	–
China State-owned Enterprise Structural Adjustment Fund Phase II Co., Ltd.* (中國國有企業結構調整基金二期股份有限公司)	Wuxi	Equity investment, investment management, and asset management through private funds	No	2.71	2.71
TaiYuan-ZhongWei-YinChuan Railway Co., Ltd.* (太中銀鐵路有限責任公司)	Xi'an	Railway construction; passenger and freight transport services	No	18.38	–
Hainan Jiaotou Huandao Tourism Highway Investment and Development Co., Ltd.* (海南交投環島旅遊公路投資開發有限公司)	Haikou	Expressway construction and operation management	No	–	18.00
Yongding River Investment Co., Ltd.	Beijing	Investment management; project investment; investment consulting	No	–	30.00
CCCC Xinsheng Gui'an New District Real Estate Co., Ltd.* (中交鑫盛貴安新區置業有限公司)	Gui'an New Area	Real estate development	No	–	65.00
Shandong Hi-Speed Zhanlin Expressway Co., Ltd.* (山東高速沾臨高速公路有限公司)	Binzhou	Construction, operation, maintenance, and management of expressway projects	No	–	30.00
Yunnan Huali Expressway Investment and Development Co., Ltd.* (雲南華麗高速公路投資開發有限公司)	Lijiang	Highway investment and development, operation management	No	44.00	–
Jiangsu Zhangjinggao Bridge Co., Ltd.* (江蘇張靖皋大橋有限責任公司)	Nanjing	Construction engineering	No	10.78	0.73

Note: The Group's shareholding in certain joint ventures and associates mentioned above is less than 20% or more than 50%. Pursuant to the articles of association of these companies, the Company exercises joint control with other shareholders or has significant influence only, and accordingly, these companies are accounted for as joint ventures or associates.

(2) Main financial information of major associates

The Group holds a 16.24% equity interest in ZPMC, which is accounted for as a major associate. The financial information of ZPMC is as follows:

	30 June 2026	31 December 2025
	(Unaudited)	
Current assets	43,473,050,789	44,803,581,598
Including: cash and cash equivalents	4,128,537,282	4,570,277,131
Non-current assets	37,511,799,258	38,231,121,907
Total assets	**80,984,850,047**	**83,034,703,505**
Current liabilities	53,805,333,325	48,662,314,071
Non-current liabilities	8,284,015,015	15,617,329,174
Total liabilities	**62,089,348,340**	**64,279,643,245**
Less: Minority interest	2,555,824,916	2,578,553,232
Other equity instruments	500,000,000	500,000,000
Shareholders' equity attributable to the parent company	**15,839,676,791**	**15,676,507,028**
Share of net assets based on shareholding ratio	2,670,059,187	2,599,230,847
Goodwill attributable to the equity interest in ZPMC	1,911,169,234	1,911,169,234
Carrying amount of the investment	**4,581,228,421**	**4,510,400,081**

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Revenue from operations	17,627,429,728	17,395,706,659
Financial expenses	293,834,104	94,424,746
Financial expenses –Interest income	169,988,756	166,511,973
Financial expenses –Interest expenses	252,695,182	335,393,791
Income tax expenses	155,589,405	100,283,102
Net profit	566,980,388	448,633,147
Other comprehensive income	(61,666,477)	15,509,096
Total comprehensive income	505,313,911	464,142,243

(3) Summary of financial information of insignificant joint ventures and associates

Apart from ZPMC, the Group does not have any individually significant joint ventures or associates. The summary of financial information of those joint ventures and associates that are not significant to the Group is as follows:

	30 June 2026	31 December 2025
	(Unaudited)	
Joint ventures		
Aggregate carrying amount of the investments	53,661,660,874	54,564,755,065
Aggregate amounts calculated based on shareholding percentage		
Net loss (Note)	(448,360,215)	(1,729,033,499)
Other comprehensive loss (Note)	(30,529,708)	(48,332,525)
Total comprehensive loss	**(478,889,923)**	**(1,777,366,024)**
Associates		
Aggregate carrying amount of the investments	49,426,953,280	50,260,920,819
Aggregate amounts calculated based on shareholding percentage		
Net income/(loss) (Note)	232,924,086	(131,878,269)
Other comprehensive (loss)/income (Note)	(45,522,731)	49,510,197
Total comprehensive income/(loss)	**187,401,355**	**(82,368,072)**

Note: Net profit and other comprehensive income have been adjusted for the impact of the fair value of identifiable assets and liabilities at the date of acquisition, as well as the alignment of accounting policies.

3. Equity in structured entities not included in the scope of consolidated financial statements

	30 June 2026	31 December 2025
	(Unaudited)	
Holding interests in asset-backed securities and asset-backed notes (Note 1)	17,000,000	17,000,000
Subscription to the units of various contractual funds issued by CCCC Jianyin (Xiamen) Equity Investment Fund Management Co., Ltd., a joint venture of the Group, acting as the fund manager (Note 2)	735,547,785	735,547,785
Subscription to the units of various contractual funds issued by CCCC Investment Fund (Beijing) Management Co., Ltd., a subsidiary of the Group, acting as the fund manager (Note 3)	4,170,902,421	4,105,500,266
Subscription to the units of other funds (Note 4)	10,213,898,025	10,499,619,178
	15,137,348,231	**15,357,667,229**

Note 1: As of 30 June 30 2026, the outstanding balance of asset-backed securities and asset-backed notes issued by the Group amounted to RMB69,141,242,497. The Company has a liquidity support obligation for senior ABS tranches totaling RMB49,249,620,033. As at 30 June 2026, the Group did not hold any senior tranches of the aforementioned asset-backed securities and asset-backed notes, while its holdings in the subordinated tranches amounted to RMB17,000,000. Since the Group's holdings in both the senior and subordinated tranches were each less than 5%, and the likelihood of having to fulfill the liquidity support obligation in the future was assessed to be low, these special purpose vehicles and trusts were not consolidated into the Group's financial statements.

Note 2: As of 30 June 2026, the Group had subscribed to limited partnership interests in the limited partnerships initiated by CCCC Jianyin (Xiamen) Equity Investment Fund Management Co., Ltd., a joint venture of the Group acting as the general partner, with a total subscription amount of RMB2,149,100,000. The Group had also subscribed to units in various contractual funds issued by CCCC Jianyin (Xiamen) Equity Investment Fund Management Co., Ltd., acting as the fund manager, with a total subscription amount of RMB795,475,000. These funds are structured entities not consolidated into the Group. The Group's paid-in interests in these funds are accounted for as other non-current financial assets. As of 30 June 2026, these funds had raised RMB1,694,840,115 and invested in the Group's joint ventures and associates. As at 30 June 2026, the Group's maximum exposure to loss from its interests in these funds was the fair value of its paid-in interests in these funds at the balance sheet date, amounting to RMB735,547,785. The Group has no obligation or intention to provide financial support to these contractual funds.

Note 3: As of 30 June 2026, the Group had subscribed to limited partnership interests in the limited partnerships initiated by CCCC Investment Fund (Beijing) Management Co., Ltd., a subsidiary of the Group acting as the general partner, with a total subscription amount of RMB20,248,200,000. The Group had also subscribed to units in various contractual funds issued by CCCC Investment Fund (Beijing) Management Co., Ltd., acting as the fund manager, with a total subscription amount of RMB2,101,131,700. These funds are structured entities not consolidated into the Group. The Group's paid-in interests in these funds are accounted for as other non-current financial assets. These funds invested in the Group's joint ventures and associates through equity contributions. As of 30 June 2026, these funds had raised RMB23,994,939,916. As at 30 June 2026, the Group's maximum exposure to loss from its interests in these funds was the fair value of its paid-in interests in these funds at the balance sheet date, amounting to RMB4,170,902,421. The Group has no obligation or intention to provide financial support to these funds.

Note 4: Due to business development needs, the Group participated in the initiation and establishment of funds including Chongqing Linghang Expressway No. 6 Equity Investment Fund Partnership (Limited Partnership)* (重慶領航高速六號股權投資基金合夥企業(有限合夥)), Guangxi Pinglu Canal No.2 Industrial Development Fund Partnership (Limited Partnership)* (廣西平陸運河貳號產業發展基金合夥企業(有限合夥)), Guangxi Jiaotou Phase 22 Transportation Construction Investment Fund Partnership (Limited Partnership)* (廣西交投貳拾貳期交通建設投資基金合夥企業(有限合夥)), Fujian Haisi Expressway Phase 3 Equity Investment Partnership (Limited Partnership)* (福建省海絲高速三期股權投資合夥企業(有限合夥)), and Hubei Chudao No. 1 Infrastructure Investment Partnership (Limited Partnership)* (湖北省楚道壹號基礎設施投資合夥企業(有限合夥)). These funds are structured entities not consolidated into the Group. The Group's paid-in interests in these funds are accounted for as other non-current financial assets. As at 30 June 2026, the Group's maximum exposure to loss from its interests in these funds was the aggregate fair value of its paid-in interests in these funds at the balance sheet date, amounting to RMB10,213,898,025. The Group has no obligation or intention to provide financial support to these funds.

The Group's voting interest in the aforementioned structured entities is insufficient to give the Group the power to direct the relevant activities of these entities and affect the amount of its variable returns. Therefore, these structured entities are not consolidated into the Group.

4. Interests in joint operations

Based on the terms of the joint arrangements or their legal form, the Group has rights to the assets, and obligations for the liabilities, relating to these arrangements. Accordingly, the Group accounts for these joint arrangements as joint operations. The joint arrangements accounted for as joint operations by the Group primarily relate to the joint operations conducted by John Holland, the Group's Australian subsidiary, together with the relevant joint operators. As at 30 June 2026, the Group did not have any material joint operations.

IX. GOVERNMENT GRANTS

1. Liabilities related to government grants

Deferred income

Six months ended 30 June 2026 (Unaudited)

	Opening balance	Additions during the period	Recognized in other income during the period	Recognized in non-operating income during the period	Closing balance	Related to assets/ income
Grants for the Lvshun New Port Expansion Projects	197,150,000	10,584,000	–	–	207,734,000	Related to assets
Grants for the Guangxi Regional Headquarters Base	145,630,417	–	(5,263,750)	–	140,366,667	Related to income
Other government grants related to assets	410,173,328	66,302,656	(10,805,160)	–	465,670,824	Related to assets
Other government grants related to income	413,826,505	15,773,833	(17,347,629)	(7,849,772)	404,402,937	Related to income
Total	**1,166,780,250**	**92,660,489**	**(33,416,539)**	**(7,849,772)**	**1,218,174,428**	

2025

	Opening balance	Additions during the year	Recognized in non-operating income during the year	Recognized in other income during the year	Closing balance	Related to assets/ income
Grants for the Lvshun New Port Expansion Projects	197,150,000	–	–	–	197,150,000	Related to assets
Grants for the Guangxi Regional Headquarters Base	156,157,917	–	–	(10,527,500)	145,630,417	Related to income
Other government grants related to assets	348,961,853	84,655,855	–	(23,444,380)	410,173,328	Related to assets
Other government grants related to income	422,979,338	42,854,302	(16,312,470)	(35,694,665)	413,826,505	Related to income
Total	**1,125,249,108**	**127,510,157**	**(16,312,470)**	**(69,666,545)**	**1,166,780,250**	

2. Government grants recognized in profit or loss for the period

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Government grants related to assets		
Recognized in other incomes	34,000,838	17,611,851
Government grants related to income		
Recognized in other income	144,618,761	160,758,698
Recognized in non-operating income	7,849,772	9,655,072
Total	**186,469,371**	**188,025,621**

X. FINANCIAL INSTRUMENTS AND RELATED RISKS

1. Financial instrument risks

The main risks arising from the Group's financial instruments in its daily activities are credit risk, liquidity risk, and market risk. The Group's risk management policies in this regard are summarised below.

The Board is responsible for planning and establishing the Group's risk management framework, developing the Group's risk management policies and related guidelines and overseeing the implementation of risk management measures. The Group has developed risk management policies to identify and analyse the risks faced by the Group. These risk management policies define specific risks which cover many aspects such as market risk, credit risk and liquidity risk management. The Group evaluates the market environment and changes in the Group's operations to determine whether or not to update the risk management policies and systems on a regular basis. The Group's internal audit department controls the risk management system and procedures for periodic review, and the audit results are reported to the Board of the Group.

The Group uses appropriate diversification and portfolio to diversify the risk of financial instruments and reduce the risk of focusing on any single industry, specific region or specific counterparty by developing appropriate risk management policies.

(1) Credit risk

The Group trades only with recognised and creditworthy counterparties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, balances of trade receivables and contract assets are monitored on an ongoing basis in order to ensure that the Group's exposure to bad debts is not significant.

Since the Group trades with creditworthy and high credit rating banks, the related credit risk of cash and derivative financial instruments is rather low.

The Group's other financial assets include bills receivable, receivables financing, other receivables, debt investments and long-term receivables. The credit risk of these financial assets arises from counterparty default, and the maximum risk exposure equals the carrying amount of these instruments.

The Group is also exposed to credit risk as a result of the provision of financial guarantees, as disclosed in Note XIV. 2.

The Group's major customers are national, provincial, and local government agencies of the PRC, as well as other state-owned enterprises. As these customers have reliable and sound credit histories, the Group considers that there is no significant credit risk associated with them. As the Group's trade receivables and contract assets are widely distributed among its customers, there is no significant concentration of credit risk. As at 30 June 2026, no trade receivables or contract assets from any single customer exceeded 10% of the Group's total trade receivables or contract assets (31 December 2025: Nil).

Criteria for judging significant increases in credit risk

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each balance sheet date. The Group's primary criteria for identifying a significant increase in credit risk include the number of overdue days exceeding 30 days, or significant changes in one or more of the following indicators: significant adverse changes in the debtor's operating environment, internal or external credit ratings, and actual or expected operating results.

No significant increase in credit risk

As at 30 June 2026 and 31 December 2025, the Group did not have any receivables that were past due for more than 30 days but were still provided for impairment at an amount equal to 12-month expected credit losses.

Definition of credit-impaired financial assets

The Group's main criterion for recognising a credit impairment is when the number of days past due exceeds 90 days. However, under certain circumstances, the Group may also recognise a credit impairment if internal or external information suggests that full recovery of the contractual amount may not be possible without taking into account any credit enhancements held. Credit impairment of financial assets might be caused by the combined action of multiple events, and not necessarily by separately identifiable events.

(2) Liquidity risk

Management adopts a prudent approach to liquidity risk management, which includes maintaining adequate cash levels and utilizing committed credit facilities to ensure sufficient funding. The Group aims to maintain flexibility in funding by keeping available committed credit facilities.

As the Group's business is capital-intensive, the Group ensures the maintenance of sufficient cash and credit facilities to meet its liquidity needs. The Group meets its working capital requirements through funds generated from operating activities and bank and other borrowings.

Trade payables and other payables related to supplier financing arrangements are settled with counterparties rather than individual suppliers. The Group engages in reverse factoring and supply chain asset securitization through supply chain finance service platforms provided by various financial institutions. Consequently, the outstanding payables originally owed to multiple suppliers by the Group have been converted into outstanding payables owed to the supply chain finance service platforms provided by these financial institutions. Therefore, the Group believes that the supplier financing arrangements do not result in excessive concentration of liquidity risk.

The following table summarises the maturity analysis of financial liabilities and lease liabilities based on undiscounted contractual cash flows:

30 June 2026 (Unaudited)

	Within one year	One to two years	Two to five years	Over five years	Total
Short-term borrowings and long-term borrowings	255,847,678,242	76,613,104,589	154,205,534,758	317,981,496,461	804,647,814,050
Bonds payable and short-term financing bonds	65,617,136,101	29,780,451,024	34,190,295,319	5,369,977,961	134,957,860,405
Derivative financial liabilities	31,304,888	–	–	–	31,304,888
Notes payable	30,079,889,351	–	–	–	30,079,889,351
Trade payables	404,024,301,381	–	–	–	404,024,301,381
Other payables	148,801,851,559	–	–	–	148,801,851,559
Lease abilities	1,044,500,800	1,991,090,427	929,924,388	717,028,455	4,682,544,070
Long-term payables	25,321,421,081	48,043,334,269	23,306,627,616	7,285,714,722	103,957,097,688
Total	**930,768,083,403**	**156,427,980,309**	**212,632,382,081**	**331,354,217,599**	**1,631,182,663,392**

31 December 2025

	Within one year	One to two years	Two to five years	Over five years	Total
Short-term borrowings and long-term borrowings	189,184,388,791	72,523,710,882	145,065,758,413	296,162,582,199	702,936,440,285
Bonds payable and short-term financing bonds	26,918,750,055	27,855,815,177	29,160,823,524	4,999,875,013	88,935,263,769
Derivative financial liabilities	34,336,875	–	–	–	34,336,875
Notes payable	26,251,326,054	–	–	–	26,251,326,054
Trade payables	418,863,591,631	–	–	–	418,863,591,631
Other payables	140,401,658,278	–	–	–	140,401,658,278
Lease abilities	1,185,515,481	1,114,295,486	1,259,829,062	1,173,867,412	4,733,507,441
Long-term payables	29,546,390,250	49,537,393,015	19,449,565,635	7,477,201,845	106,010,550,745
Total	**832,385,957,415**	**151,031,214,560**	**194,935,976,634**	**309,813,526,469**	**1,488,166,675,078**

Note: For the Group's financial guarantees, please refer to Note XIV.2.

(3) Market risk

Interest rate risk

The Group's exposure to risk of interest rate changes arises primarily from interest-bearing liabilities such as borrowings and bonds payable. Borrowings at variable rates expose the Group to cash flow interest rate risk, while borrowings at fixed rates expose the Group to fair value interest rate risk. As at 30 June 2026, the Group's borrowings at variable rates amounted to RMB455,831,621,063 (31 December 2025: RMB391,054,900,734).

The Group's finance department continuously monitors the Group's interest rate levels. An increase in interest rates would raise the cost of new interest-bearing debt and the interest expenses on the Group's outstanding interest-bearing debt at variable rates, which could have a material adverse effect on the Group's financial performance. Management will make timely adjustments based on the latest market conditions, which may include entering into interest rate swap arrangements to mitigate interest rate risk.

As at 30 June 2026, if the interest rate on borrowings had increased/decreased by 100 basis points with all other factors held constant, the profit before tax for the period would have decreased/increased by RMB4,558,316,211 (2025: RMB3,910,549,007). This was mainly attributable to the increase/decrease in interest expenses on borrowings at variable rates. The borrowings at variable rates are primarily denominated in RMB, USD, Euro and HKD.

Exchange rate risks

The functional currency of most of the Group's subsidiaries is RMB, and the majority of transactions are settled in RMB. However, the Group's overseas revenue, payments for materials and machinery and equipment purchased from overseas suppliers, and certain expenses are settled in foreign currencies. RMB is not freely convertible into foreign currencies, and the conversion of RMB into foreign currencies is subject to the foreign exchange control regulations of the PRC.

For details of the Group's foreign currency monetary items denominated in foreign currencies, including monetary funds, trade receivables, other receivables, borrowings, trade payables and other payables as at 30 June 2026 and 31 December 2025, please refer to Note V. 72. To mitigate the impact of exchange rate fluctuations, the Group continuously assesses its currency risk and utilizes derivative financial instruments to hedge a portion of the risk. During the six months ended 30 June 2026, certain subsidiaries of the Group entered into forward foreign exchange contracts with domestic and overseas banks to hedge their exchange rate risks associated with USD, Euro, Japanese yen and Australian dollars in individual transactions.

The Group's primary foreign currency is USD. As at 30 June 2026, if RMB had appreciated/depreciated by 5% against USD with all other factors held constant, the profit before tax for the period would have decreased/increased by RMB1,408,857,387 (31 December 2025: decreased/increased by RMB1,114,224,826). This was mainly attributable to exchange losses/gains arising from the translation of monetary funds, trade receivables, other receivables, borrowings, trade payables and other payables denominated in USD.

Price risk of investment in equity instruments

The Group's investments in equity instruments are classified as financial assets at fair value through other comprehensive income (trading equity instrument investments) and financial assets at fair value through profit or loss (trading equity instrument investments). As these financial assets are required to be measured at fair value, the Group is exposed to the risk of fluctuations in securities market prices.

With all other factors held constant, the sensitivity of the Group's financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss to equity price risk as of each balance sheet date is as follows:

	Six months ended 30 June 2026	2025
	(Unaudited)	
Change in equity prices	10%	10%
Impact on profit before tax		
Increase/(decrease) in profit before tax for the period/year (excluding the effect of income tax)		
– Due to increase/(decrease) in equity price	13,400,791	20,787,902
Impact on equity		
Increase/(decrease) in equity for the period/year (excluding the effect of income tax)		
– Due to increase/(decrease) in equity price	1,955,318,434	2,176,167,580
Total	**1,968,719,225**	**2,196,955,482**

2. Capital management

The objectives of the Group's capital management policy are to safeguard the Group's ability to continue as a going concern, thereby providing returns for shareholders and benefits for other stakeholders, while maintaining an optimal capital structure to reduce capital costs.

The Group manages and adjusts its capital structure in accordance with changes in the economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividends paid to shareholders, return capital to shareholders, or issue new shares. The Group is not subject to external mandatory capital requirements. During the six months ended 30 June 2026 and in 2025, there was no change in capital management objectives, policies or procedures.

The Group manages its capital with the gearing ratio, which refers to net debt divided by the sum of adjusted capital and net debt. Net debt include all short-term borrowings, long-term borrowings, bonds payable, interests payable, short-term financing notes, finance lease payables, net of cash and cash equivalents. The gearing ratio of the Group as at the balance sheet date is as follows:

	30 June 2026	31 December 2025
	(Unaudited)	
Short-term borrowings	162,087,073,327	106,407,901,960
Long-term borrowings (including current portion due within one year)	540,442,510,924	493,006,060,477
Bonds payable (including current portion due within one year)	79,796,655,161	69,867,736,534
Short-term financing notes	50,881,654,742	14,036,131,530
Lease liabilities (including current portion due within one year)	4,193,101,443	4,163,881,017
Less: cash and cash equivalents	178,559,009,891	139,830,228,674
Net debt	658,841,985,706	547,651,482,844
Equity	481,377,129,580	467,886,935,653
Equity and net debt	1,140,219,115,286	1,015,538,418,497
Gearing ratio	58%	54%

3. Transfer of financial assets

Transfer method	Nature of financial assets transferred	Amount of financial assets transferred	Derecognition	Basis for derecognition
		(Unaudited)		
Bill endorsement and discounting	Bills receivables	257,996,748	Not yet derecognised	Substantially all of the risks and rewards, including related default risks, have been retained
Bill endorsement and discounting	Bills receivables and receivables financing	327,212,234	Derecognised	Substantially all of the risks and rewards have been transferred
Factoring	Trade receivables and long-term receivables	692,264,910	Not yet derecognised	Substantially all of the risks and rewards, including related default risks, have been retained
Factoring	Trade receivables and long-term receivables	6,909,392,073	Derecognised	Substantially all of the risks and rewards have been transferred
Asset securitization	Trade receivables, long-term receivables and contract assets	1,410,711,886	Not yet derecognised	Substantially all of the risks and rewards, including related default risks, have been retained
Asset securitization	Trade receivables, long-term receivables and contract assets	3,203,750,585	Derecognised	Substantially all of the risks and rewards have been transferred
Total		**12,801,328,436**		

Financial assets derecognised due to transfer are as follows (unaudited):

	Methods for transferring financial assets	Amount of financial assets derecognised	Loss relating to derecognition
Bills receivables and receivables financing	Bill endorsements	291,697,800	–
Bills receivables and receivables financing	Bill discounting	35,514,434	165,572
Trade receivables and long-term receivables	Factoring	6,909,392,073	138,250,389
Trade receivables, long-term receivables and contract assets	Asset securitization	3,203,750,585	99,535,295
Total		**10,440,354,892**	**237,951,256**

Transferred financial assets that are not derecognised in their entirety

As at 30 June 2026, the carrying amount of bank acceptance bills and commercial acceptance bills endorsed or discounted by the Group but not yet matured was RMB257,996,748 (31 December 2025: RMB315,659,499). The Group considered that substantially all of the risks and rewards, including related default risks, have been retained by the Group. Therefore, it continued to recognise the bills and the associated settled trade payables or recognise short-term borrowings in full. Subsequent to the endorsement or discount, the Group no longer retains the right of use, including the right to sell, transfer or pledge to other third parties. As at 30 June 2026, the total carrying amount of trade payables settled by the Group amounted to RMB252,996,748, and short-term borrowings of RMB5,000,000 were recognized in aggregate (As at 31 December 2025: the total carrying amount of trade payable settled by the Group was RMB222,659,499, and the total carrying amount of short-term borrowings settled was RMB93,000,000).

As part of its ordinary course of business, the Group has entered into trade receivables factoring arrangements with certain financial institutions and transferred certain trade receivables to these institutions. Under these arrangements, if the debtors of trade receivables delay their payments, the Group is required to repay the relevant amounts. Since the Group retains substantially all the risks and rewards of ownership of the financial assets, the transferred financial assets are not derecognized. Following the transfer, the Group no longer retains the right to use the assets, including the rights to sell, transfer, or pledge them to other third parties. As at 30 June 2026, the carrying balance of trade receivables transferred but not yet settled under these arrangements was RMB2,856,969,728 (31 December 2025: RMB2,164,704,818). The carrying balance of long-term receivables transferred but not yet settled under these arrangements was RMB1,797,985,427 (31 December 2025: RMB2,922,410,048).

As at 30 June 2026, the Group transferred certain trade receivables to special purpose entities, which issued asset-backed securities to investors. The Group assumed the credit risk of the transferred receivables by subscribing to the subordinated asset-backed securities. The amount of receivables transferred but not yet settled under these arrangements was RMB3,574,450,445 (31 December 2025: RMB2,846,973,876). Because the Group retained substantially all the risks and rewards of the related receivables, the Group did not derecognize the relevant receivables.

Transferred financial assets that have been derecognised in their entirety with continuing involvement

As at 30 June 2026, the carrying amount of bank acceptance bills endorsed and discounted by the Group but not yet matured was RMB78,394,147 (31 December 2025: RMB392,832,406). As at 30 June 2026, the maturity date was 1 to 12 months. According to the Law on Negotiable Instruments, where the accepting bank refuses to pay the acceptances, the holder may exercise the right of recourse against any or several or all of the debtors liable for the acceptances, including the Group, in disregard of the order of precedence ("Continuing Involvement"). The Group considered that it has transferred substantially all of the risks and rewards. Accordingly, it derecognised the carrying amounts of the bills and the associated settled trade payables. The maximum exposure to loss and undiscounted cash flows from the Continuing Involvement are equal to the carrying amount. The Group considered that the fair value of the Continuing Involvement is not material.

For the Continuing Involvement in transferred trade receivables, long-term receivables and contract assets that have been fully derecognized through asset securitization by the Group, please refer to Note XIV. 2.

XI. FAIR VALUE

1. Assets and liabilities measured at fair value

30 June 2026 (Unaudited)

	Inputs used in fair value measurement			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
Recurring fair value measurement				
Financial assets for trading				
Investment in debt instruments	1,302,334,648	–	–	1,302,334,648
Investment in equity instruments	134,007,910	–	–	134,007,910
Derivative financial assets	–	92,909,525	–	92,909,525
Receivables financing	–	1,118,975,709	–	1,118,975,709
Investment in other equity instruments	19,553,184,339	–	5,521,609,358	25,074,793,697
Other non-current financial assets				
Investment in debt instruments	–	–	17,000,000	17,000,000
Investment in equity instruments	346,058,331	–	27,240,168,518	27,586,226,849
Derivative financial assets	–	–	159,804,427	159,804,427
Total financial assets	**21,335,585,228**	**1,211,885,234**	**32,938,582,303**	**55,486,052,765**
Derivative financial liabilities measured at fair value on a recurring basis	**–**	**31,304,888**	**–**	**31,304,888**

31 December 2025

	Inputs used in fair value measurement			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
Recurring fair value measurement				
Financial assets for trading				
Investment in debt instruments	425,606,912	–	–	425,606,912
Investment in equity instruments	207,879,020	–	–	207,879,020
Derivative financial assets	–	13,282,153	–	13,282,153
Receivables financing	–	1,090,608,571	–	1,090,608,571
Investment in other equity instruments	21,761,675,796	–	5,188,940,369	26,950,616,165
Other non-current financial assets				
Investment in debt instruments	–	–	17,000,000	17,000,000
Investment in equity instruments	308,211,857	–	26,776,661,103	27,084,872,960
Derivative financial assets	–	–	276,277,377	276,277,377
Total financial assets	**22,703,373,585**	**1,103,890,724**	**32,258,878,849**	**56,066,143,158**
Derivative financial liabilities measured at fair value on a recurring basis	**–**	**34,336,875**	**–**	**34,336,875**

2. Level 1 fair value measurements

Investments in listed equity instruments are measured at fair value based on quoted market prices.

3. Level 2 fair value measurements

The Group has entered into derivative financial instrument contracts with multiple counterparties (mainly financial institutions with higher credit rating). Derivative financial instruments, including foreign exchange forward contracts and interest rate swaps, are measured using valuation techniques similar to forward pricing and swap models and present value methods. The model covers multiple inputs observable in markets, including counterparty credit quality, spot and forward rates and interest rate curves. The carrying value of foreign exchange forward contracts and interest rate swaps is the same as the fair value. The mark to market value of derivative financial assets is the net value after offsetting the credit valuation adjustment attributable to the default risk of derivative instrument counterparties. The change of counterparty credit risk has no significant impact on the evaluation of hedging effectiveness of designated derivatives in hedging relationship and other financial instruments measured at fair value.

4. Level 3 fair value measurements

Investments in unlisted equity instruments are measured at fair value using discounted valuation models based on unobservable market price or interest rate assumptions. The Group is required to make estimates regarding expected future cash flows (including expected future dividends and proceeds from disposal). The Group believes that the fair value and its changes estimated by valuation techniques are reasonable and are also the most appropriate value on the balance sheet date. For the fair value of investments in unlisted equity instruments, the Group estimates the potential impact of using alternative reasonable and possible assumptions as inputs to the valuation model.

5. Reconciliation of recurring Level 3 fair value measurements

Reconciliation of recurring Level 3 fair value measurements is as follows:
Six months ended 30 June 2026 (Unaudited)

	Opening balance	Total gains or losses for the period		Additions for the period	Settlements for the period	Closing balance	Change in unrealized gains or losses for the period included in profit or loss for assets held at the end of the reporting period
		Recognized in profit or loss	Recognized in other comprehensive income				
Investment in other equity instruments	5,188,940,369	–	218,684,561	126,389,257	(12,404,829)	5,521,609,358	–
Financial assets at fair value through profit or loss							
Investment in debt instruments	17,000,000	–	–	–	–	17,000,000	–
Investment in equity instruments	26,776,661,103	5,584,192	–	5,804,859,530	(5,346,936,307)	27,240,168,518	5,584,192
Derivative financial instruments	276,277,377	(109,284,863)	–	–	(7,188,087)	159,804,427	(109,284,863)
Total	**32,258,878,849**	**(103,700,671)**	**218,684,561**	**5,931,248,787**	**(5,366,529,223)**	**32,938,582,303**	**(103,700,671)**

2025

	Opening balance	Total gains or losses for the year		Additions for the year	Settlements for the year	Closing balance	Change in unrealized gains or losses for the period included in profit or loss for assets held at the end of the year
		Recognized in profit or loss	Recognized in other comprehensive income				
Investment in other equity instruments	5,185,525,229	–	(438,312,487)	447,159,347	(5,431,720)	5,188,940,369	–
Financial assets at fair value through profit or loss							
Investment in debt instruments	22,115,400	–	–	5,000,000	(10,115,400)	17,000,000	–
Investment in equity instruments	27,236,192,637	(956,935,326)	–	7,897,903,309	(7,400,499,517)	26,776,661,103	(956,935,326)
Derivative financial instruments	377,190,191	(93,981,221)	–	–	(6,931,593)	276,277,377	(93,981,221)
Total	**32,821,023,457**	**(1,050,916,547)**	**(438,312,487)**	**8,350,062,656**	**(7,422,978,230)**	**32,258,878,849**	**(1,050,916,547)**

6. Transfers between levels of the fair value hierarchy

During the period, there were no transfers of fair value measurements of financial assets and financial liabilities between level 1 and level 2, and no transfers into or out of level 3.

7. Financial assets and financial liabilities not measured at fair value

The following is a comparison of the carrying amounts and fair values of the Group's various categories of financial instruments, excluding lease liabilities and financial instruments whose carrying amounts approximate their fair values:

Six months ended 30 June 2026 (Unaudited)

	Carrying amount	Fair value	Inputs used in fair value disclosures	
			Quoted prices in active markets	Significant observable inputs
			(Level 1)	(Level 2)
Financial liabilities				
Long-term borrowings	466,516,925,275	466,422,296,209	–	466,422,296,209
Bonds payable	66,447,743,786	64,627,916,091	4,000,000,000	60,627,916,091
Total	**532,964,669,061**	**531,050,212,300**	**4,000,000,000**	**527,050,212,300**

2025

	Carrying amount	Fair value	Inputs used in fair value disclosures	
			Quoted prices in active markets	Significant observable inputs
			(Level 1)	(Level 2)
Financial liabilities				
Long-term borrowings	425,291,657,983	425,418,853,186	–	425,418,853,186
Bonds payable	58,750,510,346	57,668,020,071	4,000,000,000	53,668,020,071
Total	**484,042,168,329**	**483,086,873,257**	**4,000,000,000**	**479,086,873,257**

The fair values of long-term receivables, long-term borrowings, long-term payables, bonds payable and lease liabilities are determined using the discounted cash flow method, with discount rates based on the market yields of other financial instruments with similar contractual terms, credit risk and remaining maturities. As at 30 June 2026, the fair values of long-term receivables, long-term payables, and lease liabilities approximate their carrying amounts, and the Group's own non-performance risk for long-term and short-term borrowings is assessed as insignificant.

XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent

Name of parent	Place of registration	Business scope	Registered capital	Percentage of ownership interest in the Company	Percentage of voting rights in the Company
			(RMB'0,000)	(%)	(%)
CCCG	Beijing	Design and construction of domestic and foreign ports, waterways, highways and bridges; equipment supply and installation	727,402	59.99	59.99

2. Subsidiaries

For details of major subsidiaries, please refer to Note VIII.1.

3. Joint venture and associate

For details of major joint ventures and associates, please refer to Note VIII.2. The joint ventures and associates that had transactions with the Group during the current period are listed in the table below:

	Related party relationship
Chongqing Zhongdu Expressway Co., Ltd.	Joint venture
Chongqing CCCC Yuwu Expressway Co., Ltd.* (重慶中交渝武高速公路有限公司)	Joint venture
Chongqing CCCC Tong'an Expressway Co., Ltd.* (重慶中交銅安高速公路有限公司)	Joint venture
Chongqing CCCC Jianglu North Line Expressway Co., Ltd.* (重慶中交江瀘北線高速公路有限公司)	Joint venture
Chongqing Yuxiang Double Line Expressway Co., Ltd.* (重慶渝湘復線高速公路有限公司)	Joint venture
CCCC Zhilian Yunhai (Zhangjiakou) Parking Co., Ltd.* (中交智聯雲海(張家口)停車有限公司)	Joint venture
CCCC Yancheng Construction Development Co., Ltd.* (中交鹽城建設發展有限公司)	Joint venture
CCCC Xinjiang Transportation Investment and Development Co., Ltd.* (中交新疆交通投資發展有限公司)	Joint venture
CCCC Wodi (Beijing) Real Estate Co., Ltd. * (中交沃地(北京)置業有限公司)	Joint venture
CCCC Jijiao Expressway Investment and Development Co., Ltd.* (中交建冀交高速公路投資發展有限公司)	Joint venture
CCCC Hami Communications Construction Co., Ltd.* (中交哈密交通建設有限公司)	Joint venture
CCCC Second Harbour (Dalian) Urban Development Investment Co., Ltd. * (中交二航(大連)城市發展投資有限公司)	Joint venture
CCCC-SHEC Sixth Engineering Co., Ltd.	Joint venture
CCCC Chengdu Rail Transit Investment and Construction Co., Ltd.* (中交成都軌道交通投資建設有限公司)	Joint venture

	Related party relationship
Changsha Second Harbour Real Estate Development Co., Ltd. * (長沙二航置業發展有限公司)	Joint venture
Changchun CCCC Investment and Construction Co., Ltd. * (長春中交投資建設有限公司)	Joint venture
Yunnan Dianzhong Xiaoshao Water Ecological Environment Management Co., Ltd. * (雲南滇中小哨水生態環境治理有限責任公司)	Joint venture
Yulin CCCC Construction Investment Co., Ltd.	Joint venture
Yangzhou CCCC Guangxian Investment Development Co., Ltd. * (揚州中交光線投資開發有限公司)	Joint venture
Yantai Jiaorong Construction and Investment Co., Ltd. * (煙台交融建設投資有限公司)	Joint venture
Xichang Jiaojian Hengxin Investment and Construction Co., Ltd. * (西昌市交建恒新投資建設有限責任公司)	Joint venture
Wuhu Lijing Jiangwan Real Estate Co., Ltd. * (蕪湖麗景江灣置業有限公司)	Joint venture
Tangshan Caofeidian Dredging Co., Ltd. * (唐山曹妃甸疏浚有限公司)	Joint venture
Shijiazhuang Xingshi Xietong Real Estate Co., Ltd.* (石家莊興石協同置業有限公司)	Joint venture
Shantou CCCC Investment Holdings Real Estate Co., Ltd. * (汕頭市中交投控置地有限公司)	Joint venture
Rongtong Second Engineering Construction Co., Ltd. * (融通第二工程建設有限責任公司)	Joint venture
Qinghai Jiaxi Highway Section 3 Construction Management Co., Ltd. * (青海加西公路三標段建設管理有限公司)	Joint venture
Qianxi County CCCC Xinjing Ecological Construction Co., Ltd. * (遷西縣中交新京生態建設有限公司)	Joint venture
Qian'an CCCC Ecological Construction Co., Ltd. * (遷安市中交生態建設有限公司)	Joint venture
Jiangmen Hexing Real Estate Co., Ltd. * (江門市荷興置業有限公司)	Joint venture
Jishou CCCC Water Conservancy Construction Development Co., Ltd. * (吉首中交水利建設發展有限公司)	Joint venture
Jilin Dongrui Construction Engineering Co., Ltd. * (吉林省東瑞建設工程有限公司)	Joint venture
Hohhot CSIQ Jingtong Construction Engineering Co., Ltd. * (呼和浩特阿特斯晶通建設工程有限公司)	Joint venture
Henan Xinkai Huanghe River Bridge Development Co., Ltd. * (河南新開黃河大橋開發有限公司)	Joint venture
Hainan Jinhong Commercial Management Co., Ltd. * (海南金泓商業管理有限公司)	Joint venture
Haikou Jiangdong Xinju First Real Estate Co., Ltd. * (海口江東新居第壹置業有限公司)	Joint venture
Hami City CCCC First Highway Engineering Tiankun Construction Co., Ltd. * (哈密市中交一公局天坤建設有限公司)	Joint venture
Guizhou CCCC Lirong Highway Co., Ltd.* (貴州中交荔榕高速公路有限公司)	Joint venture
Guizhou Guijin Expressway Co., Ltd.* (貴州貴金高速公路有限公司)	Joint venture
Guizhou Guihuang Expressway Co., Ltd. * (貴州貴黃高速公路有限公司)	Joint venture
Guangzhou Zhujing Real Estate Co., Ltd.* (廣州珠景房地產有限公司)	Joint venture
Guangzhou Pinhao Real Estate Development Co., Ltd. * (廣州市品灝房地產開發有限公司)	Joint venture

	Related party relationship
Guangzhou Nansha Mingzhu Bay Area Development Co., Ltd. * (廣州南沙明珠灣區開發有限公司)	Joint venture
Guangxi CCCC Urban-Rural Investment and Construction Co., Ltd. * (廣西中交城鄉投資建設有限公司)	Joint venture
Guangxi Pingcen Expressway Co., Ltd.* (廣西平岑高速公路有限公司)	Joint venture
Guangxi Nanning Second Ring Expressway Co., Ltd. * (廣西南寧二環高速公路有限公司)	Joint venture
Guangxi Nanning Urban Education Investment Co., Ltd. * (廣西南寧城市教育投資有限公司)	Joint venture
Guangxi Huantou Liuyu Environmental Governance Co., Ltd. * (廣西環投流域環境治理有限責任公司)	Joint venture
Guangdong Yangjiang Moyang Construction Investment Development Co., Ltd. * (廣東陽江漠陽建設投資發展有限公司)	Joint venture
Foshan Zhongyi Baohui Real Estate Co., Ltd. * (佛山市中宜保匯房地產有限公司)	Joint venture
Foshan Chengzhan Real Estate Co., Ltd. * (佛山誠展置業有限公司)	Joint venture
Ezhou CCCC SF Airport Industrial Park Investment and Development Co., Ltd. * (鄂州中交順豐空港產業園投資發展有限公司)	Joint venture
Deyang Luojiang Jincheng Land Remediation Co., Ltd. * (德陽羅江金誠土地整治有限責任公司)	Joint venture
Chengdu CCCC Fenghuang Lake Industrial Co., Ltd. * (成都中交鳳凰湖實業有限公司)	Joint venture
Chengdu Wenjiang Liuchen Real Estate Co., Ltd. * (成都溫江柳晨置業有限公司)	Joint venture
Chengdu Jinjiang Greenway Construction Investment Group Co., Ltd.* (成都錦江綠道建設投資集團有限公司)	Joint venture
Cangzhou Bohai New Area Tianhang Construction Port Construction Management Co., Ltd. * (滄州渤海新區天航建工港口建設管理有限公司)	Joint venture
Dalian Deep-Sea Resources Development Co., Ltd. * (大連深遠海資源開發有限公司)	Joint venture
Dongguan Liaobu Smart Manufacturing Cloud Corridor Investment Co., Ltd. * (東莞市寮步鎮智造雲廊投資有限公司)	Joint venture
Dongguan Smart Cloud Corridor Industrial Investment Co., Ltd. * (東莞市智慧雲廊產業投資有限公司)	Joint venture
Guangzhou Zengcheng Smart Manufacturing Industrial Park Investment Co., Ltd. * (廣州市增城區智造產業園投資有限公司)	Joint venture
Hangzhou Zhongyi Jiangchen Real Estate Co., Ltd. * (杭州中宜江晨置業有限公司)	Joint venture
Hubei Hangtou Green Building Materials Co., Ltd. * (湖北省航投綠色建築材料有限公司)	Joint venture
Jiangsu Xiangshui Port Management Co., Ltd. * (江蘇響水港港務有限公司)	Joint venture
Shijiazhuang Chengheng Real Estate Development Co., Ltd. * (石家莊城恒房地產開發有限公司)	Joint venture
Wuhu Taishan Road Yangtze River Bridge Construction and Development Co., Ltd. * (蕪湖市泰山路長江大橋建設開發有限公司)	Joint venture
Chongqing Zhongwan Expressway Co., Ltd.	Joint venture
Tianjin CCCC New Town Construction Development Co., Ltd. * (天津中交新城建設發展有限公司)	Joint venture
Yiyang CCCC First Highway Engineering Urban Construction Investment Co., Ltd. * (益陽中交一公局城市建設投資有限公司)	Joint venture

	Related party relationship
Guigang CCCC Investment Development Co., Ltd. * (貴港中交投資發展有限公司)	Joint venture
Tianjin Jing-Jin Zhongguancun Science and Technology City Development Co., Ltd. * (天津京津中關村科技城發展有限公司)	Joint venture
Huizhou Huitong Real Estate Co., Ltd. * (惠州慧通置業有限公司)	Joint venture
CCCC Haifa (Qingdao) Investment Co., Ltd. * (中交海發(青島)投資有限公司)	Joint venture
CCCC First Highway Engineering Chongqing Wanzhou Expressway Co., Ltd. * (中交一公局重慶萬州高速公路有限公司)	Joint venture
Baotou CCCC Infrastructure Investment and Construction Co., Ltd. * (包頭市中交基礎設施投資建設有限公司)	Joint venture
Yulin CCCC Urban Utility Tunnel Investment Co., Ltd.* (玉林中交城市綜合管廊投資有限公司)	Joint venture
Yichang Rongtai Zhenyuan Real Estate Development Co., Ltd. * (宜昌融泰臻遠房地產開發有限公司)	Joint venture
Chongqing Changhe Expressway Co., Ltd. * (重慶長合高速公路有限公司)	Joint venture
Guangxi Pinglu Canal Resources Development Co., Ltd. * (廣西平陸運河資源開發有限公司)	Joint venture
Guangxi CCCC Puqing Expressway Co., Ltd. * (廣西中交浦清高速公路有限公司)	Joint venture
Nanjing Liuhe Zhongtang Real Estate Co., Ltd. * (南京六合中棠置業有限公司)	Joint venture
Foshan Zhongyi Yuecheng Real Estate Co., Ltd. * (佛山中宜悅誠置業有限公司)	Joint venture
Wenzhou Zhongbin Real Estate Co., Ltd. * (溫州中濱置業有限公司)	Joint venture
Guangxi CCCC Yuzhan Expressway Development Co., Ltd. * (廣西中交玉湛高速公路發展有限公司)	Joint venture
Chengdu Zhongchengxing Real Estate Co., Ltd. * (成都中城興置業有限公司)	Joint venture
Zhongshan CCCC Second Harbour Engineering Construction Development Co., Ltd. * (中山中交第二航務建設發展有限公司)	Joint venture
Guangzhou Kecheng Linghang Dengwu Investment and Operation Co., Ltd. * (廣州科城領航鄧屋投資運營有限公司)	Joint venture
Guangzhou Kecheng Hengyuan Kezhuang Investment and Operation Co., Ltd. * (廣州科城亨元柯莊投資運營有限公司)	Joint venture
CCCC Guangdong Kaichun Expressway Co., Ltd. * (中交廣東開春高速公路有限公司)	Joint venture
Guangzhou Kecheng Linghang Yinling Investment and Operation Co., Ltd. * (廣州科城領航銀嶺投資運營有限公司)	Joint venture
Tianjin Zhongfu Real Estate Development Co., Ltd. * (天津中富房地產開發有限公司)	Joint venture
CCCC Yunnan Construction Investment Development Co., Ltd. * (中交雲南建設投資發展有限公司)	Joint venture
CCCC (Luannan) Whole-area Water Treatment Ecological Construction Co., Ltd. * (中交(灤南)全域治水生態建設有限公司)	Joint venture
Shantou Investment Holding CCCC Real Estate Co., Ltd. * (汕頭市投控中交置業有限公司)	Joint venture
CCCC Fenhe Investment Holding Co., Ltd. * (中交汾河投資控股有限公司)	Joint venture
Shandong Gangwan Navigation Engineering Co., Ltd. * (山東港灣航務工程有限公司)	Joint venture
Tianjin Ganghang Installation Engineering Co., Ltd. * (天津港航安裝工程有限公司)	Joint venture

	Related party relationship
Tianjin Rail Transit Line No.3 Operation Co., Ltd. * (天津三號線軌道交通運營有限公司)	Joint venture
CCCC Gold Medal Education Technology (Dalian) Co., Ltd. * (中交金牌教育科技(大連)有限公司)	Joint venture
Wuhan Fairy Mountain Road Construction and Development Co., Ltd. * (武漢仙女山路建設發展有限公司)	Joint venture
Bazhou CCCC Real Estate Development Co., Ltd. * (巴州中交房地產開發有限公司)	Joint venture
CCCC Second Harbour Engineering Qianjiang Environmental Protection Co., Ltd. * (中交二航局潛江環保有限公司)	Joint venture
Xiamen Yuexu Real Estate Development Co., Ltd. * (廈門悅煦房地產開發有限公司)	Joint venture
CCCC Urban Investment Fuchunwan (Hangzhou) Real Estate Development Co., Ltd. * (中交城投富春灣(杭州)置業開發有限公司)	Joint venture
Chongqing Jiuyong Expressway Construction Co., Ltd. * (重慶九永高速公路建設有限公司)	Joint venture
Guangzhou Lvzhen Real Estate Development Co., Ltd. * (廣州綠楨房地產開發有限公司)	Joint venture
Beijing CCCC Road and Bridge Investment Fund Phase V Partnership (Limited Partnership) * (北京中交路橋投資基金五期合夥企業(有限合夥))	Joint venture
Dover Residential Development Pte. Ltd.	Joint venture
Nan'an Yifeng Investment Development Co., Ltd. * (南安市翼豐投資開發有限公司)	Associate
Yongding River Investment Co., Ltd.	Associate
Sichuan Chengqiongya Expressway Co., Ltd. * (四川成邛雅高速公路有限責任公司)	Associate
CCCC First Highway Engineering (Xiamen) Tongxiang High-tech City Investment and Construction Co., Ltd. * (中交一公局(廈門)同翔高新城投資建設有限公司)	Associate
CCCC (Baise) North Ring Expressway Investment and Construction Co., Ltd. * (中交(百色)北環高速公路投資建設有限公司)	Associate
Shenhua Shanghang Dredging Co., Ltd. * (神華上航疏浚有限責任公司)	Associate
Hunan Guixin Expressway Construction and Development Co., Ltd. * (湖南省桂新高速公路建設開發有限公司)	Associate
Harbin Metropolitan Area North Ring Line Investment Co., Ltd. * (哈爾濱都市圈北部環線投資有限公司)	Associate
Beijing Shoufa Chengping Jingping Expressway Operation Co., Ltd. * (北京首發承平京平高速公路經營有限公司)	Associate
Gansu Highway Aviation Tourism Lanyonglin Expressway Project Management Co., Ltd. * (甘肅公航旅蘭永臨高速公路項目管理有限公司)	Associate
Guizhou Wengma Railway North South Extension Co., Ltd. * (貴州甕馬鐵路南北延伸線有限責任公司)	Associate
Guizhou Guian Expressway Co., Ltd. * (貴州貴安高速公路有限公司)	Associate
Hunan Chachang Expressway Construction and Development Co., Ltd. * (湖南省茶常高速公路建設開發有限公司)	Associate
Lentor Central Development Pte. Ltd.	Associate
Jieyang Great Nanhai Port Co., Ltd. * (揭陽市大南海港務有限公司)	Associate
Wuhan Xinhang Real Estate Co., Ltd. * (武漢欣航置業有限公司)	Associate

	Related party relationship
Guangdong Dapeng Intercity Railway Co., Ltd. * (廣東大鵬城際鐵路有限公司)	Associate
Gansu Highway Aviation Tourism Mawu Xizhai Expressway Management Co., Ltd. * (甘肅公航旅馬塢西寨高速公路管理有限公司)	Associate
Tongling Baosheng Communication Construction Management Co., Ltd. * (銅陵保盛交通建設管理有限公司)	Associate
Dalian Bay Undersea Tunnel Co., Ltd.	Associate
Wuhan Hanxin Infrastructure Investment and Construction Co., Ltd. * (武漢漢信基礎設施投資建設有限公司)	Associate
Yunnan Huali Expressway Investment and Development Co., Ltd.* (雲南華麗高速公路投資開發有限公司)	Associate
Wuhan Linkonggang Wang'an Construction Development Co., Ltd. * (武漢臨空港網安建設發展有限公司)	Associate
Nanjing CCCC Urban Development Co., Ltd. * (南京中交城市開發有限公司)	Associate
Jiangsu Yancheng Port Binhai Port Investment and Development Co., Ltd. * (江蘇鹽城港濱海港投資開發有限公司)	Associate
Yidu Riqing Ecological Management Co., Ltd. * (宜都日清生態治理有限公司)	Associate
Shishou Three Gorges Smart Water Management Co., Ltd. * (石首市三峽智慧水管家有限公司)	Associate
CCCC (Zhaoqing) Investment Development Co., Ltd. * (中交(肇慶)投資發展有限公司)	Associate
Shandong Harbour Engineering Group Co., Ltd. * (山東港灣建設集團有限公司)	Associate
Guangdong Harbour Engineering Co., Ltd. * (廣東港灣工程有限公司)	Associate
Chongqing Wanli Wanda Expressway Co., Ltd.	Associate
Guizhou Wengma Railway Co., Ltd.	Associate
Chongqing Tongyong Expressway Co., Ltd.	Associate
Hubei Changtou Ecological Xiangyang Construction Investment Co., Ltd.	Associate
Cameroon Kribi Container Terminal Co., Ltd.	Associate
Pasir Ris Development Pte. Ltd.	Associate
Media Circle Development Pte. Ltd.	Associate
Harbin Young City Real Estate Co., Ltd.* (哈爾濱楊柳郡置業有限公司)	Associate
Bazhong Chuanshang Investment and Construction Co., Ltd. * (巴中川商投資建設有限公司)	Associate
Sichuan Kunlun Jiangluyi Expressway Co., Ltd. * (四川崑崙江瀘宜高速公路有限公司)	Associate
Tianjin Yongyang Rural Environment Co., Ltd. * (天津雍陽鄉村環境有限公司)	Associate
Bijie Highway Communication Investment and Construction Co., Ltd. * (畢節公路交通投資建設有限公司)	Associate
Gansu Jingli Expressway Longnan Management Co., Ltd. * (甘肅景禮高速公路隴南管理有限公司)	Associate
CCCC Foshan Investment Development Co., Ltd. * (中交佛山投資發展有限公司)	Associate
Guizhou Meilu Real Estate Co., Ltd. * (貴州美廬置業有限公司)	Associate
Pingdingshan Xingyuan Infrastructure Construction Co., Ltd. * (平頂山興遠基礎設施建設有限公司)	Associate

	Related party relationship
Guohua (Jinshi) Construction Investment Co., Ltd. * (國化(津市)建設投資有限公司)	Associate
Yongdinghe Yanhuai (Huailai) Ecological Development Co., Ltd. * (永定河延懷(懷來)生態發展有限公司)	Associate
Nanjing Chungang Construction Co., Ltd. * (南京市淳港建設有限責任公司)	Associate
Tianjin Lingang Industrial Investment Holding Co., Ltd. * (天津臨港產業投資控股有限公司)	Associate
Hubei Communications Investment Hanjiang Shiqiao Construction Management Co., Ltd. * (湖北交投漢江十橋建設管理有限公司)	Associate
Wuxi Daxi Hydropower Co., Ltd.	Associate
Tianjin Jing-Jin-Ji Tongcheng Business District Urban Renewal Industry Operation Co., Ltd. * (天津市京津冀同城商務區城市更新產業運營有限公司)	Associate
CCCG (Honghu) Investment Construction Development Co. Ltd.* (中交(洪湖)投資建設發展有限公司)	Associate
China Urban and Rural (Bazhou) Water Environment Comprehensive Renovation Co., Ltd. * (中城鄉(霸州)水環境綜合治理有限公司)	Associate
Chengdu Communications Investment Xingrongxi Urban Construction and Development Co., Ltd. * (成都交投興蓉西城市建設開發有限公司)	Associate
Guangxi Communications Investment Mining Co., Ltd. * (廣西交投礦業有限公司)	Associate
Hunan Wanglei Guichen Expressway Construction and Development Co., Ltd. * (湖南省王耒桂郴高速公路建設開發有限公司)	Associate
Ningbo Yongtaiwen Communication Development Co., Ltd. * (寧波甬台溫交通發展有限公司)	Associate
Qingdao Zhongrong Lianhui Communication Investment and Construction Development Co., Ltd. * (青島中融聯匯交通投資建設發展有限公司)	Associate
China Urban and Rural (Shehong) Investment Development Co. Ltd.* (中城鄉(射洪)投資發展有限公司	Associate
Yichang Three Gorges Hub Jiangnan Dam Overturning Refined Oil Investment and Operation Co., Ltd. * (宜昌三峽樞紐江南翻壩成品油投資運營有限公司)	Associate
ZPMC (Note)	Associate
Yunnan Duxiang Expressway Co., Ltd. * (雲南都香高速公路有限公司)	Associate
Shenzhen COSCO SHIPPING Smart Supply Chain Co., Ltd.* (深圳中遠海運智慧供應鏈有限公司)	Associate
Anhui Communication Construction and Investment Engineering Co., Ltd. * (安徽省交設建投工程有限公司)	Associate
Tianjin Port and Waterway Engineering Co., Ltd. * (天津港航工程有限公司)	Associate
Jiujiang Tongwu Expressway Management Co., Ltd. * (九江通武高速公路管理有限公司)	Associate
Gansu Highway Aviation Tourism Tongding Expressway Management Co., Ltd. * (甘肅公航旅通定高速公路管理有限公司)	Associate
Yiyang CCCC Second Harbour Construction Development Co., Ltd. * (益陽中交二航建設發展有限公司)	Associate
Hainan Jiaotou Huandao Tourism Highway Investment and Development Co., Ltd.* (海南交投環島旅遊公路投資開發有限公司)	Associate

	Related party relationship
Linxiang Three Gorges Water Environment Comprehensive Renovation Co., Ltd. * (臨湘市三峽水環境綜合治理有限責任公司)	Associate
Binzhou Area Urban Investment and Development Co., Ltd. * (濱州市片區城市投資開發有限公司)	Associate
Sanya Urban Investment Zhonghui New Building Materials Co., Ltd. * (三亞城投眾輝新型建材有限公司)	Associate
Qiandongnan Sanzhen Expressway Investment and Construction Co., Ltd. * (黔東南三鎮快速路投資建設有限公司)	Associate
Shandong Hi-Speed Zhanlin Expressway Co., Ltd. *(山東高速沾臨高速公路有限公司)	Associate
Hubei Railway Group Dangyuan Co., Ltd. * (湖北鐵路集團當遠有限公司)	Associate
Wuhan Two Lakes Tunnel Nanhu Investment Development Co., Ltd. * (武漢兩湖隧道南湖投資發展有限公司)	Associate
Sichuan Yagu Construction Management Co., Ltd. * (四川牙谷建設管理有限公司)	Associate
CCCC Third Harbour (Xi'an) Urban Development and Construction Co., Ltd. * (中交三航(西安)城市開發建設有限公司)	Associate
Tangshan Station West Construction and Development Co., Ltd. * (唐山站西建設發展有限公司)	Associate
CCCC First Highway Engineering Tangshan Caofeidian Engineering Co., Ltd. * (中交一公局唐山曹妃甸工程有限公司)	Associate
Gansu Liudun Expressway Project Management Co., Ltd. * (甘肅柳敦高速公路項目管理有限公司)	Associate
Siping Integrated Pipe Gallery Construction and Operation Co., Ltd. * (四平市綜合管廊建設運營有限公司)	Associate
Xiaogan Jinhuai Culture Media Co., Ltd. * (孝感市金槐文化傳媒有限公司)	Associate
Tianjin Mishima Conveyer Machinery Co., Ltd.	Associate
Hebei Xiong'an Prefabricated Component Technology Co., Ltd. * (河北雄安預製構件科技有限公司)	Associate
Gansu Jinhe Expressway Project Management Co., Ltd. * (甘肅金河高速公路項目管理有限公司)	Associate
China State-owned Enterprise Structural Adjustment Fund Phase II Co., Ltd.* (中國國有企業結構調整基金二期股份有限公司)	Associate
Jining Ganghang Ecological Investment Development Co., Ltd. * (濟寧港航生態投資發展有限公司)	Associate
Shishou Three Gorges Phase I Water Environment Comprehensive Renovation Co., Ltd.* (石首市三峽一期水環境綜合治理有限責任公司)	Associate
China Urban and Rural (Quanzhou) Water Investment Co., Ltd. * (中城鄉(泉州)水務投資有限公司)	Associate
China Communications Information & Technology Group Co., Ltd.* (中國交通信息科技集團有限公司)	Associate/under common control of the parent
Hubei CUR Xiangyue Real Estate Development Co., Ltd. * (湖北中城鄉香樾房地產開發有限公司)	Associate/under common control of the parent
Civil Aviation Airport (Note)	Associate/under common control of the parent
CCCC Photovoltaic Technology Co., Ltd. * (中交光伏科技有限公司)	Associate/under common control of the parent

4. Other related parties

	Related party relationship
CCCC Real Estate (Note)	Under common control of the parent
China Urban and Rural Ecological Environmental Protection Engineering Co., Ltd. * (中城鄉生態環保工程有限公司)	Under common control of the parent
China International Water & Electric Corporation	Under common control of the parent
CCCC Urban-Rural Hebei Construction Development Co., Ltd. * (中交城鄉河北建設發展有限公司)	Under common control of the parent
Beijing OriginWater Technology Co., Ltd.	Under common control of the parent
OriginWater Construction Group Co., Ltd. * (碧水源建設集團有限公司)	Under common control of the parent
Malaysia Upper Padas Hydroelectric Project * (馬來西亞上巴達斯水電站項目)	Under common control of the parent
China Urban and Rural (Datong) Water Co., Ltd. * (中城鄉(大同)水務有限公司)	Under common control of the parent
CCCC Binjiang (Shanghai) Construction Management Co., Ltd.* (中交濱江(上海)建設管理有限公司)	Under common control of the parent
Xi'an OriginWater Co., Ltd. * (西安碧水源水務有限公司)	Under common control of the parent
CCCC Xiong'an Investment Co., Ltd.* (中交雄安投資有限公司)	Under common control of the parent
China Urban and Rural Holding Group Co., Ltd.* (中國城鄉控股集團有限公司)	Under common control of the parent
Liangye Technology Group Co., Ltd. * (良業科技集團股份有限公司)	Under common control of the parent
CCCC Water & Electric Engineering Co., Ltd. * (中交水利電力工程有限公司)	Under common control of the parent
Tibet OriginWater Environmental Technology Co., Ltd. * (西藏碧水源環境技術有限公司)	Under common control of the parent
Hangzhou Longwu Tea Town Construction Management Co., Ltd.* (杭州龍塢茶鎮建設管理有限公司)	Joint venture of a fellow subsidiary under common control of the parent

5. Related party transactions

(1) Transactions in goods and services with related parties

Pricing policy

The prices of selling products to related parties, providing services or construction services to related parties, purchasing goods from related parties, receiving services from related parties and subcontracting construction works from related parties by the Group are determined based on ordinary commercial terms. Considerations for finance leases and asset or entities transfer with related parties are determined based on the fair value of the assets or entities being transferred. Interest rates of accepting deposits and providing loans are determined by both parties through negotiation with reference to the bank deposit and loan interest rates for the same period.

Purchase of goods

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
ZPMC (Note)	290,292,058	485,028,215
Others	88,254,289	136,035,371
Total	**378,546,347**	**621,063,586**

Purchase of fixed assets

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Others	35,398	912,965
Total	**35,398**	**912,965**

Sale of goods

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Tianjin Ganghang Engineering Co., Ltd.	22,847,296	–
Others	20,513,112	41,305,773
Total	**43,360,408**	**41,305,773**

Provision of services/construction services

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
CCCG	1,255,280,837	1,930,761,178
China International Water & Electric Corporation	977,557,274	234,280,184
Guangdong Dapeng Intercity Railway Co., Ltd. * (廣東大鵬城際鐵路有限公司)	976,202,730	1,119,424,457
CCCC Xinjiang Transportation Investment and Development Co., Ltd.* (中交新疆交通投資發展有限公司)	759,517,806	3,228,736,231
Guizhou Guian Expressway Co., Ltd. * (貴州貴安高速公路有限公司)	670,062,184	209,112,046
CCCC Real Estate (Note)	614,394,043	903,095,606
CCCC First Highway Engineering (Xiamen) Tongxiang High-tech City Investment and Construction Co., Ltd. * (中交一公局(廈門)同翔高新城投資建設有限公司)	531,203,334	256,207,941
Wuhu Taishan Road Yangtze River Bridge Construction and Development Co., Ltd. * (蕪湖市泰山路長江大橋建設開發有限公司)	444,745,509	–
Guangzhou Zhujing Real Estate Co., Ltd.* (廣州珠景房地產有限公司)	276,248,473	151,531,728
Hunan Guixin Expressway Construction and Development Co., Ltd. * (湖南省桂新高速公路建設開發有限公司)	251,343,750	683,964,780

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Guangxi Pingcen Expressway Co., Ltd.* (廣西平岑高速公路有限公司)	249,722,562	1,453,324,226
Pasir Ris Development Pte. Ltd.	241,394,911	–
Ningbo Yongtaiwen Communication Development Co., Ltd. * (寧波甬台溫交通發展有限公司)	240,023,625	101,530,832
Dongguan Smart Cloud Corridor Industrial Investment Co., Ltd. * (東莞市智慧雲廊產業投資有限公司)	238,766,387	19,620,172
Harbin Metropolitan Area North Ring Line Investment Co., Ltd. * (哈爾濱都市圈北部環線投資有限公司)	231,939,127	300,715,563
Tianjin Jing-Jin-Ji Tongcheng Business District Urban Renewal Industry Operation Co., Ltd. * (天津市京津冀同城商務區城市更新產業運營有限公司)	224,511,058	–
Shijiazhuang Chengheng Real Estate Development Co., Ltd. * (石家莊城恒房地產開發有限公司)	211,987,888	–
Guangxi Nanning Second Ring Expressway Co., Ltd. * (廣西南寧二環高速公路有限公司)	209,441,106	609,887,913
Civil Aviation Airport (Note)	175,559,475	225,275,667
Yongding River Investment Co., Ltd.	174,927,463	653,864,085
Dongguan Liaobu Smart Manufacturing Cloud Corridor Investment Co., Ltd. * (東莞市寮步鎮智造雲廊投資有限公司)	172,288,570	–
Chongqing CCCC Yuwu Expressway Co., Ltd.* (重慶中交渝武高速公路有限公司)	169,402,611	283,320,579
Shenhua Shanghang Dredging Co., Ltd. * (神華上航疏浚有限責任公司)	158,546,073	1,787,805
Lentor Central Development Pte. Ltd.	154,442,371	204,785,962
Chongqing CCCC Tong'an Expressway Co., Ltd.* (重慶中交銅安高速公路有限公司)	139,441,619	78,882,177
Hubei Communications Investment Hanjiang Shiqiao Construction Management Co., Ltd. * (湖北交投漢江十橋建設管理有限公司)	135,756,096	7,527,147
CCCC Jijiao Expressway Investment and Development Co., Ltd.* (中交建冀交高速公路投資發展有限公司)	133,575,024	103,069,956
CCCC-SHEC Sixth Engineering Co., Ltd.	120,857,835	35,711,687
Hunan Wanglei Guichen Expressway Construction and Development Co., Ltd. * (湖南省王耒桂郴高速公路建設開發有限公司)	117,042,654	–
Malaysia Upper Padas Hydroelectric Project * (馬來西亞上巴達斯水電站項目)	109,948,381	–

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Shijiazhuang Xingshi Xietong Real Estate Co., Ltd.* (石家莊興石協同置業有限公司)	109,663,637	55,776,025
Media Circle Development Pte. Ltd.	109,409,458	11,197,509
Tongling Baosheng Communication Construction Management Co., Ltd. * (銅陵保盛交通建設管理有限公司)	104,031,222	22,654,554
Jieyang Great Nanhai Port Co., Ltd. * (揭陽市大南海港務有限公司)	103,707,632	306,589,077
ZPMC (Note)	98,693,432	314,782,593
Guizhou Wengma Railway North South Extension Co., Ltd. * (貴州甕馬鐵路南北延伸線有限責任公司)	96,191,074	193,791,500
Chengdu Wenjiang Liuchen Real Estate Co., Ltd. * (成都溫江柳晨置業有限公司)	96,071,875	100,744,469
Guangzhou Pinhao Real Estate Development Co., Ltd. * (廣州市品灝房地產開發有限公司)	95,071,005	189,870,533
Beijing Shoufa Chengping Jingping Expressway Operation Co., Ltd. * (北京首發承平京平高速公路經營有限公司)	75,383,923	340,643,480
Jilin Dongrui Construction Engineering Co., Ltd. * (吉林省東瑞建設工程有限公司)	72,623,195	112,911,538
Shandong Harbour Engineering Group Co., Ltd. * (山東港灣建設集團有限公司)	70,370,395	126,819,317
China Urban and Rural (Shehong) Investment Development Co. Ltd.* (中城鄉(射洪)投資發展有限公司	66,900,135	185,117,308
Sichuan Chengqiongya Expressway Co., Ltd. * (四川成邛雅高速公路有限責任公司)	58,515,495	135,481,352
Guangdong Yangjiang Moyang Construction Investment Development Co., Ltd. * (廣東陽江漠陽建設投資發展有限公司)	56,707,372	102,095,827
Hunan Chachang Expressway Construction and Development Co., Ltd. * (湖南省茶常高速公路建設開發有限公司)	37,304,302	335,076,950
CCCC (Baise) North Ring Expressway Investment and Construction Co., Ltd. * (中交(百色)北環高速公路投資建設有限公司)	28,037,200	296,969,361
Henan Xinkai Huanghe River Bridge Development Co., Ltd. * (河南新開黃河大橋開發有限公司)	9,358,747	186,810,483
Deyang Luojiang Jincheng Land Remediation Co., Ltd. * (德陽羅江金誠土地整治有限責任公司)	642,064	154,463,150
Others	1,870,960,215	3,240,960,700
Total	**13,525,773,154**	**19,209,173,648**

Receipt of services/subcontracting of construction works

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
CCCC Real Estate (Note)	162,008,218	77,013,874
China Communications Information & Technology Group Co., Ltd.* (中國交通信息科技集團有限公司)	122,040,693	36,040,115
ZPMC (Note)	73,417,054	47,734,205
Others	203,168,890	281,860,023
Total	**560,634,855**	**442,648,217**

(2) Leases with related parties

As a lessor

Name of lessor	Name of leasee	Types of leased assets	For the six months ended 30 June 2026 Lease income	For the six months ended 30 June 2025 Lease income
			(Unaudited)	(Unaudited)
Others	Others	Equipment/buildings	18,555,167	15,653,297
Total			**18,555,167**	**15,653,297**

As a leasee

For the six months ended 30 June 2026 (Unaudited)

	Types of leased assets	Rental charges for short-term leases and leases of low-value assets with simplified approach	Variable lease payments not included in the measurement of lease liabilities	Rentals paid	Interest expense on lease liabilities assumed	Increased right-of-use assets
CCCG	Buildings	142,459,063	–	142,459,063	–	–
Others	Buildings/equipment/vehicle	5,323,122	–	18,479,993	4,446,145	2,399,520
Total		**147,782,185**	**–**	**160,939,056**	**4,446,145**	**2,399,520**

For the six months ended 30 June 2025 (Unaudited)

	Types of leased assets	Rental charges for short-term leases and leases of low-value assets with simplified approach	Variable lease payments not included in the measurement of lease liabilities	Rentals paid	Interest expense on lease liabilities assumed	Increased right-of-use assets
CCCG	Buildings	151,626,767	–	151,626,767	–	–
Others	Buildings/equipment/vehicle	236,400	–	10,486,076	3,673,062	–
Total		**151,863,167**	**–**	**162,112,843**	**3,673,062**	**–**

(3) Related party guarantees

Receipt of guarantees from related parties

For the six months ended 30 June 2026 (Unaudited)

Guarantor	Amount guaranteed	Commencement date	Expiration date	Whether fully performed
CCCG (Note 1)	4,205,439,887	2012	2027	No
CCCG (Note 2)	5,000,000,000	2015	2038	No
Total	**9,205,439,887**			

2025

Guarantor	Amount guaranteed	Commencement date	Expiration date	Whether fully performed
CCCG (Note 1)	4,102,923,812	2012年	2027	No
CCCG (Note 2)	5,000,000,000	2015年	2038	No
Total	**9,102,923,812**			

Note 1: On 9 August 2012, the Company issued corporate bonds with a par value of RMB 4,000,000,000, for which CCCG provided a full, unconditional and irrevocable joint and several liability guarantee.

Note 2: At the end of 2015, CCCC Yunnan Highway Development Co., Ltd.* (中交雲南高速公路發展有限公司), the Company's subsidiary, entered into a syndicated loan agreement, for which CCCG provided a joint and several guarantee totalling RMB 5,000,000,000.

Provision of guarantees to related parties

For the six months ended 30 June 2026 (Unaudited)

Guaranteed party	Amount guaranteed	Commencement date	Expiration date	Whether fully performed
Chongqing Wanli Wanda Expressway Co., Ltd.	1,040,000,000	2012/2013/2014	2042/2043/2044	No
Guizhou Wengma Railway Co., Ltd.	507,728,355	2016	2039	No
Chongqing Tongyong Expressway Co., Ltd.	150,916,552	2013	2045	No
Chongqing Zhongdu Expressway Co., Ltd.	112,000,000	2013	2043	No
Chongqing Zhongwan Expressway Co., Ltd.	600,000,000	2013	2043	No
Wuxi Daxi Hydropower Co., Ltd.	6,576,831	2009	2029	No
Hubei Changtou Ecological Xiangyang Construction Investment Co., Ltd.	6,727,598	2021	2047	No
Cameroon Kribi Container Terminal Co., Ltd.	70,092,000	2023	2030	No
Total	**2,494,041,336**			

2025

Guaranteed party	Amount guaranteed	Commencement date	Expiration date	Whether fully performed
Chongqing Wanli Wanda Expressway Co., Ltd.	1,040,000,000	2012/2013/2014	2042/2043/2044	No
Guizhou Wengma Railway Co., Ltd.	510,220,205	2016	2039	No
Chongqing Tongyong Expressway Co., Ltd.	152,395,862	2013	2045	No
Chongqing Zhongdu Expressway Co., Ltd.	112,000,000	2013	2043	No
Chongqing Zhongwan Expressway Co., Ltd.	600,000,000	2013	2043	No
Wuxi Daxi Hydropower Co., Ltd.	21,988,116	2009	2029	No
Hubei Changtou Ecological Xiangyang Construction Investment Co., Ltd.	6,727,598	2021	2047	No
Cameroon Kribi Container Terminal Co., Ltd.	74,250,000	2023	2030	No
Total	**2,517,581,781**			

(4) Funds transfers with related parties

Interest expenses on deposits in CCCC Finance

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Civil Aviation Airport (Note)	70,991,863	51,753,961
Others	46,720,515	60,564,816
Total	**117,712,378**	**112,318,777**

Loans granted by CCCC Finance

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
China International Water & Electric Corporation	1,050,000,000	800,000,000
Beijing OriginWater Technology Co., Ltd.	400,000,000	600,000,000
Civil Aviation Airport (Note)	100,000,000	–
Total	**1,550,000,000**	**1,400,000,000**

Interest income on loans granted by CCCC Finance

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
China International Water & Electric Corporation	12,854,377	13,716,556
Beijing OriginWater Technology Co., Ltd.	10,726,779	14,214,000
CCCG	–	6,742,083
Others	2,925,850	4,296,920
Total	**26,507,006**	**38,969,559**

Funds lent out

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
CCCC-SHEC Sixth Engineering Co., Ltd.	2,100,000,000	–
Dover Residential Development Pte. Ltd.	928,207,725	–
Hangzhou Zhongyi Jiangchen Real Estate Co., Ltd. * (杭州中宜江晨置業有限公司)	159,573,300	–
Changchun CCCC Investment and Construction Co., Ltd. * (長春中交投資建設有限公司)	127,908,400	137,575,100
Nanjing CCCC Urban Development Co., Ltd. * (南京中交城市開發有限公司)	123,130,000	124,510,000
Chongqing CCCC Jianglu North Line Expressway Co., Ltd.* (重慶中交江瀘北線高速公路有限公司)	79,520,000	232,800,000
CCCC (Zhaoqing) Investment Development Co., Ltd. * (中交(肇慶)投資發展有限公司)	26,500,000	139,779,191
Media Circle Development Pte. Ltd.	–	344,984,025
Dalian Bay Undersea Tunnel Co., Ltd.	–	162,533,100
Others	583,788,969	440,212,629
Total	**4,128,628,394**	**1,582,394,045**

Interest income on funds lent out

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Wuhan Xinhang Real Estate Co., Ltd. * (武漢欣航置業有限公司)	12,901,026	12,901,026
Shantou CCCC Investment Holdings Real Estate Co., Ltd. * (汕頭市中交投控置地有限公司)	11,661,296	12,558,019
Chengdu CCCC Fenghuang Lake Industrial Co., Ltd. * (成都中交鳳凰湖實業有限公司)	11,261,651	12,262,745
Changsha Second Harbour Real Estate Development Co., Ltd. * (長沙二航置業發展有限公司)	11,191,298	11,036,621
Chongqing Zhongwan Expressway Co., Ltd.	7,496,648	24,790,538
Lentor Central Development Pte. Ltd.	6,216,246	11,442,373
Shijiazhuang Xingshi Xietong Real Estate Co., Ltd.* (石家莊興石協同置業有限公司)	4,406,352	18,360,036
Chongqing Zhongdu Expressway Co., Ltd.	–	45,726,115
Others	110,111,390	138,011,241
Total	**175,245,907**	**287,088,714**

Borrowings

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
CCCG	3,000,000,000	4,040,000,000
Hami City CCCC First Highway Engineering Tiankun Construction Co., Ltd. * (哈密市中交一公局天坤建設有限公司)	185,000,000	–
CCCC Jijiao Expressway Investment and Development Co., Ltd.* (中交建冀交高速公路投資發展有限公司)	–	164,376,000
Guizhou CCCC Lirong Highway Co., Ltd.* (貴州中交荔榕高速公路有限公司)	–	157,000,000
Chengdu Jinjiang Greenway Construction Investment Group Co., Ltd.* (成都錦江綠道建設投資集團有限公司)	–	112,000,000
Guizhou Guijin Expressway Co., Ltd.* (貴州貴金高速公路有限公司)	–	40,865,900
Others	60,527,526	1,281,890,247
Total	**3,245,527,526**	**5,796,132,147**

Interest expense on borrowings

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
CCCG	102,002,417	119,183,931
Others	5,719,230	5,209,722
Total	**107,721,647**	**124,393,653**

Provision of sale-leaseback

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
CCCC Real Estate (Note)	500,000,000	220,000,000
Beijing OriginWater Technology Co., Ltd.	–	230,000,000
Others	46,181,400	45,000,000
Total	**546,181,400**	**495,000,000**

Interest on provision of sale and leaseback

For the six months ended 30 June 2026, interest income received from the sale and leaseback transactions above amounted to RMB 30,998,655 (for the six months ended 30 June 2025: RMB 45,300,850).

Provision of trade receivables factoring

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Beijing OriginWater Technology Co., Ltd.	–	70,000,000
Hunan Guixin Expressway Construction and Development Co., Ltd. * (湖南省桂新高速公路建設開發有限公司)	–	70,000,000
Total	**–**	**140,000,000**

Interest income from trade receivables factoring

For the six months ended 30 June 2026, interest income from factoring received by the Group amounted to RMB 1,406,127 (for the six months ended 30 June 2025: RMB 7,786,375).

(5) Remuneration of Key Management Personnel

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Remuneration of Key Management Personnel	2,363,346	4,257,048
Of which: share-based compensation expenses	–	577,688

(6) Other related party transactions

Pursuant to the financial services framework agreement entered into between CCCC Finance and CCCG, the annual caps for financial services transactions to be provided by CCCC Finance to the controlling shareholder and its subsidiaries in 2026 are as follows:

	Annual caps in 2026
Interest expenses on deposits	280,000,000
Loans	9,270,000,000
Guarantee letter	7,004,000,000
Subscription for notes and bonds	2,419,000,000
Other service fees	3,000,000

For the six months ended 30 June 2026, details regarding the deposit and loan services provided by CCCC Finance to the controlling shareholder and its subsidiaries are disclosed in Note 12, 5(4).

As at 30 June 2026, CCCC Finance issued migrant-worker wage guarantee letter, advance payment guarantee letter and performance guarantee letter to related parties totalling RMB 36,488,556.

As at 30 June 2026, CCCC Finance held bond investments totalling RMB 960,000,000 in CCCC Real Estate, with interest recognised for the period amounting to RMB 9,934,066; CCCC Finance held bond investments totalling RMB 50,000,000 in China Urban and Rural Holding Group Co., Ltd.* (中國城鄉控股集團有限公司), with interest recognised for the period amounting to RMB 561,385.

For the six months ended 30 June 2026, CCCC Finance charged the controlling shareholder and its subsidiaries fees totalling RMB 445,200 for other services, including entrusted loan services.

6. Balance of amounts due from and to related parties

	30 June 2026		31 December 2025	
	Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
	(Unaudited)	(Unaudited)		
Bills receivable				
ZPMC (Note)	31,643,543	(198,000)	–	–
China Urban and Rural Ecological Environmental Protection Engineering Co., Ltd. * (中城鄉生態環保工程有限公司)	15,413,992	–	–	–
Jilin Dongrui Construction Engineering Co., Ltd. * (吉林省東瑞建設工程有限公司)	–	–	100,000,000	(660,000)
Tianjin CCCC New Town Construction Development Co., Ltd. * (天津中交新城建設發展有限公司)	–	–	52,443,184	(346,125)
Others	701,000	–	604,818	(2,230)
Total	**47,758,535**	**(198,000)**	**153,048,002**	**(1,008,355)**

	30 June 2026		31 December 2025	
	Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
	(Unaudited)	(Unaudited)		
Accounts receivable				
CCCG	1,132,971,909	(306,978)	903,821,460	(148,639)
CCCC Xinjiang Transportation Investment and Development Co., Ltd.* (中交新疆交通投資發展有限公司)	1,004,952,818	(32,040,592)	1,469,628,621	(28,899,348)
CCCC Real Estate (Note)	922,726,278	(797,552)	1,098,481,515	(751,211)
ZPMC (Note)	603,652,294	(56,250)	646,522,416	(6,412)
China International Water & Electric Corporation	515,577,128	(2,105,582)	597,660,321	(5,471,106)
Jiujiang Tongwu Expressway Management Co., Ltd. * (九江通武高速公路管理有限公司)	374,514,568	(17,710,244)	394,091,001	(22,840,377)
Tianjin Lingang Industrial Investment Holding Co., Ltd. * (天津臨港產業投資控股有限公司)	262,539,328	(204,129,599)	392,472,387	(277,579,040)
Gansu Highway Aviation Tourism Tongding Expressway Management Co., Ltd. * (甘肅公航旅通定高速公路管理有限公司)	259,188,965	(42,760,128)	269,747,639	(40,724,021)
Yiyang CCCC Second Harbour Construction Development Co., Ltd. * (益陽中交二航建設發展有限公司)	249,261,933	(1,752,348)	165,261,933	(1,197,948)
Hohhot CSIQ Jingtong Construction Engineering Co., Ltd. * (呼和浩特阿特斯晶通建設工程有限公司)	236,449,765	(31,920,718)	236,449,765	(31,920,718)
Yiyang CCCC First Public Bureau Urban Construction Investment Co., Ltd. * (益陽中交一公局城市建設投資有限公司)	227,612,419	(77,983,825)	222,770,068	(77,905,839)
Civil Aviation Airport (Note)	201,014,776	–	91,909,897	(1,222)
Cangzhou Bohai New Area Tianhang Construction Port Construction Management Co., Ltd. * (滄州渤海新區天航建工港口建設管理有限公司)	197,662,015	(73,523,222)	196,834,042	(73,375,751)
Shandong Harbour Engineering Group Co., Ltd. * (山東港灣建設集團有限公司)	190,279,930	(22,667,578)	238,456,475	(20,134,368)
Haikou Jiangdong Xinju First Real Estate Co., Ltd. * (海口江東新居第壹置業有限公司)	185,359,105	(26,739,065)	136,448,480	(17,610,343)
Guangdong Dapeng Intercity Railway Co., Ltd. * (廣東大鵬城際鐵路有限公司)	171,030,468	(1,128,801)	160,707,859	(1,060,672)
Wuhan Linkonggang Wang'an Construction Development Co., Ltd. * (武漢臨空港網安建設發展有限公司)	162,548,931	(1,072,823)	110,909,668	(732,004)

	30 June 2026		31 December 2025	
	Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
	(Unaudited)	(Unaudited)		
Hainan Jiaotou Huandao Tourism Highway Investment and Development Co., Ltd.* (海南交投環島旅遊公路投資開發有限公司)	153,224,974	(8,298,921)	184,957,897	(8,376,935)
CCCC Jijiao Expressway Investment and Development Co., Ltd.* (中交建冀交高速公路投資發展有限公司)	152,348,220	(6,555,857)	152,445,836	(2,602,428)
Guigang CCCC Investment Development Co., Ltd. * (貴港中交投資發展有限公司)	149,335,371	(39,175,212)	149,335,371	(30,328,601)
CCCC Yancheng Construction Development Co., Ltd.* (中交鹽城建設發展有限公司)	116,001,508	(4,300,694)	116,001,508	(933,890)
Changsha Second Harbour Real Estate Development Co., Ltd. * (長沙二航置業發展有限公司)	107,423,341	(25,435,780)	107,423,341	(25,435,780)
Yangzhou CCCC Guangxian Investment Development Co., Ltd. * (揚州中交光線投資開發有限公司)	106,995,177	(9,022,799)	105,454,116	(4,303,791)
Sichuan Kunlun Jiangluyi Expressway Co., Ltd. * (四川崑崙江瀘宜高速公路有限公司)	104,954,816	(1,477,068)	–	–
Tianjin Jing-Jin Zhongguancun Science and Technology City Development Co., Ltd. * (天津京津中關村科技城發展有限公司)	92,085,811	(17,218,743)	111,650,776	(17,653,940)
Nan'an Yifeng Investment Development Co., Ltd. * (南安市翼豐投資開發有限公司)	82,788,412	(939,935)	107,378,412	(1,053,715)
CCCC-SHEC Sixth Engineering Co., Ltd.	78,066,688	(6,124,157)	102,517,349	(5,830,077)
Wuhu Lijing Jiangwan Real Estate Co., Ltd. * (蕪湖麗景江灣置業有限公司)	67,665,361	(545,453)	137,664,642	(943,744)
Linxiang Three Gorges Water Environment Comprehensive Renovation Co., Ltd. * (臨湘市三峽水環境綜合治理有限責任公司)	57,466,352	(7,757,958)	109,442,623	(8,499,044)
Jiangsu Xiangshui Port Management Co., Ltd. * (江蘇響水港港務有限公司)	53,742,894	(3,251,467)	124,840,466	(2,277,787)
Binzhou Area Urban Investment and Development Co., Ltd. * (濱州市片區城市投資開發有限公司)	4,915,735	(32,444)	172,283,871	(6,483,781)
Hunan Guixin Expressway Construction and Development Co., Ltd. * (湖南省桂新高速公路建設開發有限公司)	2,528,000	(768,879)	146,057,332	(1,716,173)

	30 June 2026		31 December 2025	
	Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
	(Unaudited)	(Unaudited)		
Chongqing CCCC Tong'an Expressway Co., Ltd.* (重慶中交銅安高速公路有限公司)	298,396	(10,683)	109,116,431	(720,838)
Guizhou Wengma Railway North South Extension Co., Ltd. * (貴州甕馬鐵路南北延伸線有限責任公司)	39,541	(261)	108,998,131	(719,388)
Guangxi Nanning Second Ring Expressway Co., Ltd. * (廣西南寧二環高速公路有限公司)	–	–	124,742,258	(823,299)
Others	3,386,717,232	(427,141,153)	3,377,441,413	(418,857,870)
Total	**11,613,940,459**	**(1,094,752,769)**	**12,879,925,320**	**(1,137,920,100)**

	30 June 2026		31 December 2025	
	Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
	(Unaudited)	(Unaudited)		
Receivables financing				
ZPMC (Note)	63,255,364	–	59,526,832	–
China Communications Information & Technology Group Co., Ltd.* (中國交通信息科技集團有限公司)	–	–	15,571,585	–
Others	1,014,621	–	6,557,856	–
Total	**64,269,985**	**–**	**81,656,273**	**–**
Prepayments				
ZPMC (Note)	512,964,804	–	449,025,619	–
Sanya Urban Investment Zhonghui New Building Materials Co., Ltd. * (三亞城投眾輝新型建材有限公司)	178,300,000	–	168,300,000	–
China Urban and Rural Ecological Environmental Protection Engineering Co., Ltd. * (中城鄉生態環保工程有限公司)	142,547,534	–	137,405,274	–
Others	298,514,745	–	297,186,272	–
Total	**1,132,327,083**	**–**	**1,051,917,165**	**–**
Other receivables – dividends receivable				
CCCC Real Estate (Note)	222,563,026	–	233,363,026	–
Huizhou Huitong Real Estate Co., Ltd. * (惠州慧通置業有限公司)	300,491	–	120,950,491	–
Others	150,305,267	–	165,556,908	–
Total	**373,168,784**	**–**	**519,870,425**	**–**

	30 June 2026		31 December 2025	
	Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
	(Unaudited)	(Unaudited)		
Other receivables				
CCCC-SHEC Sixth Engineering Co., Ltd.	2,154,620,439	(6,213,232)	196,503,800	(1,113,951)
China International Water & Electric Corporation	1,490,014,567	(125,529)	1,044,630,617	(8,243)
Dalian Bay Undersea Tunnel Co., Ltd.	951,907,736	(35,390,973)	951,302,996	(9,299,532)
Civil Aviation Airport (Note)	829,152,467	(9,526)	746,782,096	–
Yulin CCCC Construction Investment Co., Ltd.	820,420,309	(11,246,240)	811,135,423	(2,454,886)
Beijing OriginWater Technology Co., Ltd.	800,519,112	–	1,000,686,667	–
Wuhan Xinhang Real Estate Co., Ltd.* (武漢欣航置業有限公司)	786,250,822	(346,844,902)	773,902,302	(346,810,326)
CCCG	673,285,194	–	521,368,288	–
CCCC Real Estate (Note)	626,705,635	(40,061)	632,989,909	(43,373)
CCCC Haifa (Qingdao) Investment Co., Ltd. * (中交海發(青島)投資有限公司)	617,819,730	(147,082,437)	602,463,580	(125,754,277)
Changsha Second Harbour Real Estate Development Co., Ltd. * (長沙二航置業發展有限公司)	586,870,129	(107,323,201)	543,123,952	(101,071,160)
Guangzhou Zhujing Real Estate Co., Ltd.* (廣州珠景房地產有限公司)	578,490,979	(6,892,988)	505,120,678	(1,407,795)
Changchun CCCC Investment and Construction Co., Ltd. * (長春中交投資建設有限公司)	381,287,547	(17,174,415)	247,889,169	(2,551,218)
ZPMC (Note)	359,814,948	(774)	435,137,109	–
CCCC First Highway Engineering Chongqing Wanzhou Expressway Co., Ltd. * (中交一公局重慶萬州高速公路有限公司)	352,051,818	(4,177,600)	304,000,000	(851,200)
Yiyang CCCC First Public Bureau Urban Construction Investment Co., Ltd. * (益陽中交一公局城市建設投資有限公司)	347,101,857	(51,043,008)	351,881,954	(50,188,313)
Baotou CCCC Infrastructure Investment and Construction Co., Ltd. * (包頭市中交基礎設施投資建設有限公司)	342,392,882	(4,336,530)	324,022,130	(917,959)
Wuhan Linkonggang Wang'an Construction Development Co., Ltd. * (武漢臨空港網安建設發展有限公司)	337,555,427	(133,571,060)	337,555,427	(133,529,081)

	30 June 2026		31 December 2025	
	Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
	(Unaudited)	(Unaudited)		
Yulin CCCC Urban Utility Tunnel Investment Co., Ltd. * (玉林中交城市綜合管廊投資有限公司)	317,372,149	(4,109,476)	312,009,910	(904,775)
Yichang Rongtai Zhenyuan Real Estate Development Co., Ltd. * (宜昌融泰臻遠房地產開發有限公司)	309,534,857	(271,431,116)	323,001,940	(283,254,894)
Nanjing CCCC Urban Development Co., Ltd. * (南京中交城市開發有限公司)	300,823,793	(5,052,764)	172,326,254	(4,633,791)
Chongqing Zhongdu Expressway Co., Ltd.	293,556,454	(85,955,480)	272,276,454	(67,709,185)
Hainan Jinhong Commercial Management Co., Ltd. * (海南金泓商業管理有限公司)	264,038,733	(95,607,042)	257,609,882	(95,147,351)
Qiandongnan Sanzhen Expressway Investment and Construction Co., Ltd. * (黔東南三鎮快速路投資建設有限公司)	182,000,000	(182,000,000)	182,000,000	(182,000,000)
Bazhong Chuanshang Investment and Construction Co., Ltd. * (巴中川商投資建設有限公司)	180,974,038	(26,961,208)	128,525,693	(26,235,527)
Chongqing Changhe Expressway Co., Ltd. * (重慶長合高速公路有限公司)	122,574,469	(18,194,823)	122,551,004	(12,865,168)
Guangxi Pinglu Canal Resources Development Co., Ltd. * (廣西平陸運河資源開發有限公司)	122,527,394	(808,500)	122,527,394	(808,500)
Haikou Jiangdong Xinju First Real Estate Co., Ltd. * (海口江東新居第壹置業有限公司)	115,934,779	(1,541,933)	115,934,779	(765,170)
CCCC (Zhaoqing) Investment Development Co., Ltd. * (中交(肇慶)投資發展有限公司)	114,531,027	(800,312)	500,043,632	(1,400,122)
CCCC (Baise) North Ring Expressway Investment and Construction Co., Ltd. * (中交(百色)北環高速公路投資建設有限公司)	114,414,842	(1,188,774)	82,705,953	(231,577)
Others	2,337,957,148	(171,069,774)	2,302,302,026	(162,220,541)
Total	**17,812,501,281**	**(1,736,193,678)**	**15,224,311,018**	**(1,614,177,915)**

	30 June 2026		31 December 2025	
	Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
	(Unaudited)	(Unaudited)		
Contract assets				
CCCC Real Estate (Note)	1,244,438,882	(11,838,417)	1,103,587,429	(11,068,791)
ZPMC (Note)	787,643,426	(5,198,447)	912,984,816	(6,007,386)
CCCG	502,660,009	(3,342,551)	482,658,050	(3,216,801)
Sichuan Kunlun Jiangluyi Expressway Co., Ltd. * (四川崑崙江瀘宜高速公路有限公司)	412,161,627	(2,720,267)	442,959,574	(2,923,533)
Guangxi CCCC Puqing Expressway Co., Ltd. * (廣西中交浦清高速公路有限公司)	379,536,439	(2,507,185)	372,743,928	(2,460,110)
Guizhou Guian Expressway Co., Ltd. * (貴州貴安高速公路有限公司)	323,069,424	(2,132,258)	203,977,821	(1,346,254)
Yongding River Investment Co., Ltd.	310,738,040	(2,050,871)	260,445,897	(1,718,943)
China International Water & Electric Corporation	290,871,325	(1,919,725)	83,175,173	(548,956)
Shenhua Shanghang Dredging Co., Ltd. * (神華上航疏浚有限責任公司)	272,643,571	(1,799,448)	179,436,688	(1,184,282)
Guizhou Wengma Railway North South Extension Co., Ltd. * (貴州甕馬鐵路南北延伸線有限責任公司)	262,289,364	(1,731,110)	177,205,047	(1,169,553)
Chengdu Jinjiang Greenway Construction Investment Group Co., Ltd.* (成都錦江綠道建設投資集團有限公司)	258,780,104	(1,707,949)	304,084,589	(2,006,958)
Jieyang Great Nanhai Port Co., Ltd. * (揭陽市大南海港務有限公司)	246,606,760	(1,627,605)	293,900,671	(1,939,744)
Dalian Bay Undersea Tunnel Co., Ltd.	243,950,450	(1,610,073)	243,950,450	(1,610,073)
Guangxi Nanning Second Ring Expressway Co., Ltd. * (廣西南寧二環高速公路有限公司)	226,693,474	(1,496,177)	196,857,014	(1,299,256)
Shandong Hi-Speed Zhanlin Expressway Co., Ltd. *(山東高速沾臨高速公路有限公司)	202,001,677	(1,333,211)	247,797,584	(1,635,464)
Shandong Harbour Engineering Group Co., Ltd. * (山東港灣建設集團有限公司)	196,148,813	(1,294,582)	157,329,286	(1,038,373)
Guigang CCCC Investment Development Co., Ltd. * (貴港中交投資發展有限公司)	170,339,173	(1,124,239)	171,731,070	(1,133,425)
Hainan Jiaotou Huandao Tourism Highway Investment and Development Co., Ltd.* (海南交投環島旅遊公路投資開發有限公司)	170,336,788	(1,124,223)	142,430,664	(940,042)

	30 June 2026		31 December 2025	
	Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
	(Unaudited)	(Unaudited)		
Binzhou Area Urban Investment and Development Co., Ltd. * (濱州市片區城市投資開發有限公司)	170,283,835	(1,123,873)	178,865,823	(1,180,514)
Qiandongnan Sanzhen Expressway Investment and Construction Co., Ltd. * (黔東南三鎮快速路投資建設有限公司)	167,725,644	(1,106,989)	166,254,370	(1,097,279)
Baotou CCCC Infrastructure Investment and Construction Co., Ltd. * (包頭市中交基礎設施投資建設有限公司)	139,410,411	(920,109)	139,413,962	(920,132)
Gansu Highway Aviation Tourism Mawu Xizhai Expressway Management Co., Ltd. * (甘肅公航旅馬塢西寨高速公路管理有限公司)	138,578,948	(914,621)	116,218,196	(767,040)
Hubei CUR Xiangyue Real Estate Development Co., Ltd. * (湖北中城鄉香樾房地產開發有限公司)	113,183,960	(747,014)	80,067,148	(528,443)
Jiangsu Xiangshui Port Management Co., Ltd. * (江蘇響水港港務有限公司)	110,383,819	(728,533)	94,197,690	(621,705)
Guangzhou Pinhao Real Estate Development Co., Ltd. * (廣州市品灝房地產開發有限公司)	110,175,815	(727,160)	101,560,030	(670,296)
CCCC (Baise) North Ring Expressway Investment and Construction Co., Ltd. * (中交(百色)北環高速公路投資建設有限公司)	107,549,199	(709,825)	79,005,073	(521,433)
Hubei Railway Group Dangyuan Co., Ltd. * (湖北鐵路集團當遠有限公司)	103,227,570	(681,302)	102,124,608	(674,022)
Guizhou Wengma Railway Co., Ltd.	100,774,505	(665,112)	100,774,505	(665,112)
Wuhan Two Lakes Tunnel Nanhu Investment Development Co., Ltd. * (武漢兩湖隧道南湖投資發展有限公司)	93,765,097	(12,658,288)	128,612,305	(12,810,603)
Sichuan Chengqiongya Expressway Co., Ltd. * (四川成邛雅高速公路有限責任公司)	90,680,305	(598,490)	168,748,813	(1,113,742)
Qian'an CCCC Ecological Construction Co., Ltd. * (遷安市中交生態建設有限公司)	75,925,255	(502,682)	125,950,466	(831,273)
Others	3,478,579,357	(44,612,773)	3,247,454,319	(42,200,687)
Total	**11,501,153,066**	**(113,255,109)**	**10,806,503,059**	**(107,850,225)**

	30 June 2026		31 December 2025	
	Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
	(Unaudited)	(Unaudited)		
Long-term receivables and guarantee deposit receivables (including amounts due within one year)				
CCCG	4,377,369,004	(139,173)	3,989,394,071	(141,931)
CCCC Real Estate (Note)	3,239,611,673	(2,512,000)	3,041,672,548	(1,620,302)
CCCC Xinjiang Transportation Investment and Development Co., Ltd.* (中交新疆交通投資發展有限公司)	1,552,436,371	(10,588,870)	1,604,060,725	(10,586,801)
Chongqing Zhongwan Expressway Co., Ltd.	1,466,251,555	(9,677,260)	1,367,394,531	(9,024,804)
Chongqing Wanli Wanda Expressway Co., Ltd.	1,087,082,230	(7,174,743)	1,119,200,000	(6,749,581)
Dover Residential Development Pte. Ltd.	931,857,468	(6,150,259)	–	–
Bazhong Chuanshang Investment and Construction Co., Ltd. * (巴中川商投資建設有限公司)	833,254,466	(66,964,482)	850,041,867	(67,560,100)
Nanjing Liuhe Zhongtang Real Estate Co., Ltd. * (南京六合中棠置業有限公司)	816,090,000	(5,386,194)	816,090,000	(5,386,194)
Foshan Zhongyi Baohui Real Estate Co., Ltd. * (佛山市中宜保匯房地產有限公司)	750,560,615	(4,953,700)	749,193,574	(4,944,678)
Shantou CCCC Investment Holdings Real Estate Co., Ltd. * (汕頭市中交投控置地有限公司)	750,057,124	(4,950,377)	778,013,187	(5,134,887)
Foshan Zhongyi Yuecheng Real Estate Co., Ltd. * (佛山中宜悦誠置業有限公司)	731,765,231	(59,899,966)	746,593,103	(59,987,342)
ZPMC (Note)	679,001,960	(2,572)	713,592,595	(28,906)
Lentor Central Development Pte. Ltd.	662,768,182	(4,374,270)	728,637,640	(4,809,008)
Foshan Chengzhan Real Estate Co., Ltd. * (佛山誠展置業有限公司)	634,410,531	(47,013,569)	628,900,149	(46,977,200)
Chengdu CCCC Fenghuang Lake Industrial Co., Ltd. * (成都中交鳳凰湖實業有限公司)	616,064,393	(320,529,812)	604,233,288	(299,255,547)
Shijiazhuang Chengheng Real Estate Development Co., Ltd. * (石家莊城恒房地產開發有限公司)	615,523,315	(4,062,454)	615,242,469	(4,037,732)

	30 June 2026		31 December 2025	
	Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
	(Unaudited)	(Unaudited)		
CCCC Foshan Investment Development Co., Ltd. * (中交佛山投資發展有限公司)	567,198,569	(3,743,511)	562,890,729	(3,715,079)
Wenzhou Zhongbin Real Estate Co., Ltd. * (溫州中濱置業有限公司)	552,250,000	(3,644,850)	552,250,000	(3,644,850)
Guangdong Dapeng Intercity Railway Co., Ltd. * (廣東大鵬城際鐵路有限公司)	524,232,667	(3,459,936)	74,680,683	(492,893)
Pasir Ris Development Pte. Ltd.	505,153,221	(3,334,011)	504,454,061	(3,329,397)
Binzhou Area Urban Investment and Development Co., Ltd. * (濱州市片區城市投資開發有限公司)	478,406,986	(3,157,486)	346,894,566	(2,289,504)
Guangxi CCCC Yuzhan Expressway Development Co., Ltd. * (廣西中交玉湛高速公路發展有限公司)	465,556,274	(3,072,671)	465,567,555	(3,072,746)
Chengdu Wenjiang Liuchen Real Estate Co., Ltd. * (成都溫江柳晨置業有限公司)	446,907,818	(2,949,592)	459,929,852	(2,997,294)
Guangzhou Nansha Mingzhu Bay Area Development Co., Ltd. * (廣州南沙明珠灣區開發有限公司)	433,437,678	(2,860,689)	438,314,922	(2,770,519)
Media Circle Development Pte. Ltd.	416,472,794	(2,748,720)	416,395,614	(2,748,211)
Chengdu Zhongchengxing Real Estate Co., Ltd. * (成都中城興置業有限公司)	412,253,128	(2,720,871)	412,253,128	(2,720,871)
Zhongshan CCCC Second Harbour Engineering Construction Development Co., Ltd. * (中山中交第二航務建設發展有限公司)	397,908,929	(2,626,199)	421,741,660	(2,616,573)
Yangzhou CCCC Guangxian Investment Development Co., Ltd. * (揚州中交光線投資開發有限公司)	388,955,083	(2,567,104)	388,955,083	(2,567,104)
Hubei CUR Xiangyue Real Estate Development Co., Ltd. * (湖北中城鄉香樾房地產開發有限公司)	370,633,361	–	375,211,013	–
Dalian Bay Undersea Tunnel Co., Ltd.	343,469,402	(2,266,898)	418,159,130	(2,759,850)
CCCC Haifa (Qingdao) Investment Co., Ltd. * (中交海發(青島)投資有限公司)	314,130,768	(2,073,263)	308,756,151	(2,037,791)
Chongqing CCCC Jianglu North Line Expressway Co., Ltd.* (重慶中交江瀘北線高速公路有限公司)	308,320,000	(2,034,912)	228,800,000	(1,510,080)
Sichuan Yagu Construction Management Co., Ltd. * (四川牙谷建設管理有限公司)	306,589,830	(2,023,493)	293,033,943	(1,934,024)

	30 June 2026		31 December 2025	
	Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
	(Unaudited)	(Unaudited)		
Guangzhou Kecheng Linghang Dengwu Investment and Operation Co., Ltd. * (廣州科城領航鄧屋投資運營有限公司)	299,114,110	(1,974,153)	291,404,970	(1,923,273)
Guangzhou Kecheng Hengyuan Kezhuang Investment and Operation Co., Ltd. * (廣州科城亨元柯莊投資運營有限公司)	293,250,787	(1,935,455)	286,123,975	(1,888,418)
CCCC Third Harbour (Xi'an) Urban Development and Construction Co., Ltd. * (中交三航(西安)城市開發建設有限公司)	289,643,625	(1,911,648)	289,643,625	(1,911,648)
Nanjing CCCC Urban Development Co., Ltd. * (南京中交城市開發有限公司)	287,984,040	(1,900,695)	287,349,656	(1,896,508)
Tianjin CCCC New Town Construction Development Co., Ltd. * (天津中交新城建設發展有限公司)	282,208,218	(1,862,574)	280,570,900	(1,851,768)
Guizhou Guijin Expressway Co., Ltd.* (貴州貴金高速公路有限公司)	279,708,915	(1,846,079)	279,141,769	(1,842,336)
CCCC Guangdong Kaichun Expressway Co., Ltd. * (中交廣東開春高速公路有限公司)	265,833,328	(1,754,500)	262,709,826	(1,733,885)

	30 June 2026		31 December 2025	
	Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
	(Unaudited)	(Unaudited)		
Tangshan Station West Construction and Development Co., Ltd. * (唐山站西建設發展有限公司)	261,509,325	(1,725,962)	255,214,172	(1,684,414)
CCCC Chengdu Rail Transit Investment and Construction Co., Ltd.* (中交成都軌道交通投資建設有限公司)	253,850,546	(1,770,280)	268,224,261	(1,770,280)
Media Circle Alpha Development Pte. Ltd.	252,278,296	(1,665,037)	238,212,378	(1,572,202)
Harbin Young City Real Estate Co., Ltd.* (哈爾濱楊柳郡置業有限公司)	247,629,694	(1,634,356)	241,400,514	(1,593,243)
Guangzhou Pinhao Real Estate Development Co., Ltd. * (廣州市品灝房地產開發有限公司)	245,331,312	(1,619,187)	293,907,600	(1,917,671)
Guangzhou Kecheng Linghang Yinling Investment and Operation Co., Ltd. * (廣州科城領航銀嶺投資運營有限公司)	240,268,424	(1,585,772)	234,466,218	(1,547,477)

	30 June 2026		31 December 2025	
	Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
	(Unaudited)	(Unaudited)		
Chongqing Tongyong Expressway Co., Ltd.	238,507,470	(1,574,149)	264,000,000	(1,466,196)
CCCC First Highway Engineering Tangshan Caofeidian Engineering Co., Ltd. * (中交一公局唐山曹妃甸工程有限公司)	236,375,334	(1,560,077)	255,074,735	(1,683,493)
Chongqing Changhe Expressway Co., Ltd. * (重慶長合高速公路有限公司)	234,212,281	(1,545,801)	179,979,527	(1,187,865)
China Urban and Rural Ecological Environmental Protection Engineering Co., Ltd. * (中城鄉生態環保工程有限公司)	232,149,061	–	231,202,039	(3,705)
CCCC Jijiao Expressway Investment and Development Co., Ltd.* (中交建冀交高速公路投資發展有限公司)	230,043,831	(1,518,289)	330,977,252	(2,184,450)
Hangzhou Zhongyi Jiangchen Real Estate Co., Ltd. * (杭州中宜江晨置業有限公司)	214,378,300	(1,414,897)	114,805,000	(757,713)
Jiangsu Xiangshui Port Management Co., Ltd. * (江蘇響水港港務有限公司)	202,859,428	(1,338,872)	204,484,703	(1,338,872)
Beijing OriginWater Technology Co., Ltd.	201,989,041	(605,967)	432,816,986	(1,621,642)
Gansu Liudun Expressway Project Management Co., Ltd. * (甘肅柳敦高速公路項目管理有限公司)	196,629,405	(1,297,754)	213,264,231	(1,407,544)
Chengdu Jinjiang Greenway Construction Investment Group Co., Ltd.* (成都錦江綠道建設投資集團有限公司)	195,740,296	(1,291,886)	62,686,598	(410,551)
Guangxi Pingcen Expressway Co., Ltd.* (廣西平岑高速公路有限公司)	192,792,384	(1,272,430)	102,028	(673)
Tianjin Zhongfu Real Estate Development Co., Ltd. * (天津中富房地產開發有限公司)	191,039,807	(1,260,863)	191,009,208	(1,260,661)
CCCC Photovoltaic Technology Co., Ltd. * (中交光伏科技有限公司)	190,036,771	(557,078)	146,440,270	(425,149)
Haikou Jiangdong Xinju First Real Estate Co., Ltd. * (海口江東新居第壹置業有限公司)	183,451,918	(1,210,783)	187,948,995	(1,240,463)
CCCC Yunnan Construction Investment Development Co., Ltd. * (中交雲南建設投資發展有限公司)	181,596,031	(1,198,534)	167,403,530	(1,104,863)
Chongqing CCCC Yuwu Expressway Co., Ltd.* (重慶中交渝武高速公路有限公司)	179,525,973	(1,184,871)	132,255,545	(872,887)

	30 June 2026		31 December 2025	
	Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
	(Unaudited)	(Unaudited)		
Siping Integrated Pipe Gallery Construction and Operation Co., Ltd. * (四平市綜合管廊建設運營有限公司)	179,304,836	(1,183,412)	178,550,285	(1,178,407)
Nan'an Yifeng Investment Development Co., Ltd. * (南安市翼豐投資開發有限公司)	177,348,719	(1,170,502)	180,651,472	(1,192,300)
CCCC (Baise) North Ring Expressway Investment and Construction Co., Ltd. * (中交(百色)北環高速公路投資建設有限公司)	167,725,142	(1,106,986)	124,567,348	(822,144)
Guangxi Nanning Second Ring Expressway Co., Ltd. * (廣西南寧二環高速公路有限公司)	167,568,562	(1,105,953)	148,661,562	(981,166)
China Urban and Rural (Shehong) Investment Development Co. Ltd.* (中城鄉(射洪)投資發展有限公司	156,108,868	(295,554)	156,784,520	(310,433)
Guigang CCCC Investment Development Co., Ltd. * (貴港中交投資發展有限公司)	155,001,992	(1,023,013)	142,276,052	(939,022)
Shijiazhuang Xingshi Xietong Real Estate Co., Ltd.* (石家莊興石協同置業有限公司)	150,076,783	(990,507)	212,034,261	(1,381,470)
Jiangsu Yancheng Port Binhai Port Investment and Development Co., Ltd. * (江蘇鹽城港濱海港投資開發有限公司)	148,373,858	(979,267)	132,621,639	(870,962)
Guangzhou Zhujing Real Estate Co., Ltd.* (廣州珠景房地產有限公司)	146,902,309	(969,555)	174,430,403	(1,112,716)
CCCC (Luannan) Whole-area Water Treatment Ecological Construction Co., Ltd. * (中交(灤南)全域治水生態建設有限公司)	146,530,477	(967,101)	143,728,097	(948,605)
CCCC Binjiang (Shanghai) Construction Management Co., Ltd.* (中交濱江(上海)建設管理有限公司)	142,715,938	–	131,240,920	–
Jiangmen Hexing Real Estate Co., Ltd. * (江門市荷興置業有限公司)	133,305,957	(879,819)	128,104,361	(838,008)
Chongqing Zhongdu Expressway Co., Ltd.	132,238,792	(872,776)	138,440,000	(853,361)
Shantou Investment Holding CCCC Real Estate Co., Ltd. * (汕頭市投控中交置業有限公司)	130,204,606	(859,350)	130,204,606	(859,350)
Xiaogan Jinhuai Culture Media Co., Ltd. * (孝感市金槐文化傳媒有限公司)	129,076,601	(851,906)	129,076,601	(851,906)
Yongding River Investment Co., Ltd.	125,202,534	(833,679)	128,835,050	(831,516)

	30 June 2026		31 December 2025	
	Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
	(Unaudited)	(Unaudited)		
CCCC Urban-Rural Hebei Construction Development Co., Ltd. * (中交城鄉河北建設發展有限公司)	110,574,707	–	110,574,707	–
CCCC Fenhe Investment Holding Co., Ltd. * (中交汾河投資控股有限公司)	109,702,990	(724,040)	53,109,052	(350,520)
Hohhot CSIQ Jingtong Construction Engineering Co., Ltd. * (呼和浩特阿特斯晶通建設工程有限公司)	105,237,109	(694,565)	105,237,109	(694,565)
Shishou Three Gorges Phase I Water Environment Comprehensive Renovation Co., Ltd.* (石首市三峽一期水環境綜合治理有限責任公司)	104,419,853	(689,171)	94,617,168	(624,473)
Yiyang CCCC Second Harbour Construction Development Co., Ltd. * (益陽中交二航建設發展有限公司)	102,984,176	(679,696)	102,984,176	(679,696)
China Urban and Rural (Quanzhou) Water Investment Co., Ltd. * (中城鄉(泉州)水務投資有限公司)	100,713,380	–	91,322,616	–
Others	4,055,296,984	(81,544,660)	4,868,482,930	(86,630,121)
Total	**40,852,533,750**	**(740,103,368)**	**39,449,903,283**	**(710,502,390)**

	30 June 2026		31 December 2025	
	Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
	(Unaudited)	(Unaudited)		
Other non-current assets (excluding guarantee deposit receivables)				
Wuhu Lijing Jiangwan Real Estate Co., Ltd. * (蕪湖麗景江灣置業有限公司)	257,230,000	–	257,230,000	–
Shijiazhuang Chengheng Real Estate Development Co., Ltd. * (石家莊城恒房地產開發有限公司)	181,858,438	–	209,650,975	–
Total	**439,088,438**	**–**	**466,880,975**	**–**

	30 June 2026	31 December 2025
	(Unaudited)	
Bills payable		
China Urban and Rural Ecological Environmental Protection Engineering Co., Ltd. * (中城鄉生態環保工程有限公司)	14,746,131	20,827,405
CCCC Photovoltaic Technology Co., Ltd. * (中交光伏科技有限公司)	12,153,420	41,778,855
Shandong Gangwan Navigation Engineering Co., Ltd. * (山東港灣航務工程有限公司)	10,000,000	50,628,130
Xi'an OriginWater Co., Ltd. * (西安碧水源水務有限公司)	3,368,789	13,457,931
ZPMC (Note)	2,469,385	201,274,637
Others	70,892,655	87,535,363
Total	**113,630,380**	**415,502,321**

	30 June 2026	31 December 2025
	(Unaudited)	
Accounts payable		
ZPMC (Note)	1,828,795,262	2,153,573,950
Civil Aviation Airport (Note)	813,192,334	696,715,442
China Communications Information & Technology Group Co., Ltd.* (中國交通信息科技集團有限公司)	464,610,564	500,560,274
Guangdong Harbour Engineering Co., Ltd. * (廣東港灣工程有限公司)	225,863,720	205,211,977
Tianjin Mishima Conveyer Machinery Co., Ltd.	159,661,755	74,587,084
CCCC Real Estate (Note)	151,601,049	151,301,458
Jiangsu Yancheng Port Binhai Port Investment and Development Co., Ltd. * (江蘇鹽城港濱海港投資開發有限公司)	147,469,558	73,734,779
Rongtong Second Engineering Construction Co., Ltd. * (融通第二工程建設有限責任公司)	142,373,675	83,098,043
Shenhua Shanghang Dredging Co., Ltd. * (神華上航疏浚有限責任公司)	140,049,731	10,638,852
Tianjin Ganghang Installation Engineering Co., Ltd. * (天津港航安裝工程有限公司)	135,096,458	118,510,697
CCCC Hami Communications Construction Co., Ltd.* (中交哈密交通建設有限公司)	124,315,268	62,157,634
Hebei Xiong'an Prefabricated Component Technology Co., Ltd. * (河北雄安預製構件科技有限公司)	112,481,343	60,841,825
Others	1,359,035,732	1,389,445,103
Total	**5,804,546,449**	**5,580,377,118**

	30 June 2026	31 December 2025
	(Unaudited)	
Contract liabilities		
CCCG	435,554,710	446,742,473
Yunnan Huali Expressway Investment and Development Co., Ltd.* (雲南華麗高速公路投資開發有限公司)	425,846,561	430,237,981
CCCC Hami Communications Construction Co., Ltd.* (中交哈密交通建設有限公司)	291,344,420	209,745,239
China International Water & Electric Corporation	290,014,716	484,914,083
CCCC Real Estate (Note)	289,333,961	221,161,993
Guangxi Nanning Second Ring Expressway Co., Ltd. * (廣西南寧二環高速公路有限公司)	245,613,742	121,401,619
Gansu Jinhe Expressway Project Management Co., Ltd. * (甘肅金河高速公路項目管理有限公司)	193,762,021	193,762,021
Yunnan Duxiang Expressway Co., Ltd. * (雲南都香高速公路有限公司)	183,718,927	–
Tianjin Jing-Jin-Ji Tongcheng Business District Urban Renewal Industry Operation Co., Ltd. * (天津市京津冀同城商務區城市更新產業運營有限公司)	183,631,099	281,207,529
Hami City CCCC First Highway Engineering Tiankun Construction Co., Ltd. * (哈密市中交一公局天坤建設有限公司)	124,020,772	131,887,408
Haikou Jiangdong Xinju First Real Estate Co., Ltd. * (海口江東新居第壹置業有限公司)	123,442,754	60,995,407
CCCC First Highway Engineering (Xiamen) Tongxiang High-tech City Investment and Construction Co., Ltd. * (中交一公局(廈門)同翔高新城投資建設有限公司)	116,313,161	113,986,806
Wuhu Taishan Road Yangtze River Bridge Construction and Development Co., Ltd. * (蕪湖市泰山路長江大橋建設開發有限公司)	111,532,456	25,243,428
Gansu Highway Aviation Tourism Lanyonglin Expressway Project Management Co., Ltd. * (甘肅公航旅蘭永臨高速公路項目管理有限公司)	107,253,353	104,872,149
Henan Xinkai Huanghe River Bridge Development Co., Ltd. * (河南新開黃河大橋開發有限公司)	104,645,383	125,402,232
Yongding River Investment Co., Ltd.	72,638,626	183,148,426
CCCC-SHEC Sixth Engineering Co., Ltd.	51,894,543	104,518,809
Chongqing CCCC Tong'an Expressway Co., Ltd.* (重慶中交銅安高速公路有限公司)	6,146,816	145,588,435
Others	1,888,025,468	1,957,612,190
Total	**5,244,733,489**	**5,342,428,228**

	30 June 2026	31 December 2025
	(Unaudited)	
Other payables		
CCCG	10,324,568,763	10,833,004,556
Guangzhou Nansha Mingzhu Bay Area Development Co., Ltd. * (廣州南沙明珠灣區開發有限公司)	878,177,679	878,177,679
Chengdu Jinjiang Greenway Construction Investment Group Co., Ltd.* (成都錦江綠道建設投資集團有限公司)	823,634,713	823,634,713
Civil Aviation Airport (Note)	513,220,797	520,687,096
China State-owned Enterprise Structural Adjustment Fund Phase II Co., Ltd.* (中國國有企業結構調整基金二期股份有限公司)	500,000,000	500,000,000
Hami City CCCC First Highway Engineering Tiankun Construction Co., Ltd. * (哈密市中交一公局天坤建設有限公司)	492,588,071	307,588,071
Xiamen Yuexu Real Estate Development Co., Ltd. * (廈門悅煦房地產開發有限公司)	483,434,000	483,434,000
CCCC Real Estate (Note)	383,366,344	420,459,508
CCCC Hami Communications Construction Co., Ltd.* (中交哈密交通建設有限公司)	285,650,000	285,650,000
CCCC Urban Investment Fuchunwan (Hangzhou) Real Estate Development Co., Ltd. * (中交城投富春灣(杭州)置業開發有限公司)	215,919,465	–
Chongqing Jiuyong Expressway Construction Co., Ltd. * (重慶九永高速公路建設有限公司)	200,106,266	200,079,244
China Communications Information & Technology Group Co., Ltd.* (中國交通信息科技集團有限公司)	189,763,230	98,848,480
CCCC Water & Electric Engineering Co., Ltd. * (中交水利電力工程有限公司)	154,836,953	173,465,490
Guangzhou Lvzhen Real Estate Development Co., Ltd. * (廣州綠楨房地產開發有限公司)	153,900,000	147,000,000
Guangxi Pinglu Canal Resources Development Co., Ltd. * (廣西平陸運河資源開發有限公司)	122,503,720	3,720
China Urban and Rural Holding Group Co., Ltd.* (中國城鄉控股集團有限公司)	107,116,895	106,991,821
CCCC Fenhe Investment Holding Co., Ltd. * (中交汾河投資控股有限公司)	101,023,889	101,023,889
CCCC-SHEC Sixth Engineering Co., Ltd.	41,871,967	166,025,231
China International Water & Electric Corporation	36,156,516	173,465,490
Tianjin Rail Transit Line No.3 Operation Co., Ltd. * (天津三號線軌道交通運營有限公司)	28,366,113	628,368,881
Jining Ganghang Ecological Investment Development Co., Ltd. * (濟寧港航生態投資發展有限公司)	347,028	106,804,599
Huizhou Huitong Real Estate Co., Ltd. * (惠州慧通置業有限公司)	58,875	120,708,875
Others	1,612,061,264	871,299,928
Total	**17,648,672,548**	**17,946,721,271**

	30 June 2026	31 December 2025
	(Unaudited)	
Other payables – deposits		
Civil Aviation Airport (Note)	4,462,657,891	5,077,277,849
CCCC Real Estate (Note)	4,008,680,580	647,005,171
CCCG	2,212,688,859	117,817,689
CCCC-SHEC Sixth Engineering Co., Ltd.	2,100,000,000	–
ZPMC (Note)	1,848,213,181	1,129,883,165
CCCC Chengdu Rail Transit Investment and Construction Co., Ltd.* (中交成都軌道交通投資建設有限公司)	1,217,963,670	339,416,449
Beijing OriginWater Technology Co., Ltd.	1,110,631,364	1,671,608,229
China International Water & Electric Corporation	727,223,479	664,388,864
CCCC Xiong'an Investment Co., Ltd.* (中交雄安投資有限公司)	617,356,675	632,347,782
Tianjin Rail Transit Line No.3 Operation Co., Ltd. * (天津三號線軌道交通運營有限公司)	570,417,483	634,723,442
China Urban and Rural Holding Group Co., Ltd.* (中國城鄉控股集團有限公司)	395,919,158	286,031,981
Guizhou Guijin Expressway Co., Ltd.* (貴州貴金高速公路有限公司)	327,785,334	501,893,794
Liangye Technology Group Co., Ltd. * (良業科技集團股份有限公司)	227,245,238	11,085,370
CCCC (Baise) North Ring Expressway Investment and Construction Co., Ltd. * (中交(百色)北環高速公路投資建設有限公司)	218,032,208	221,000,292
Yulin CCCC Construction Investment Co., Ltd.	198,022,237	127,734,699
Dalian Bay Undersea Tunnel Co., Ltd.	170,019,832	–
CCCC Gold Medal Education Technology (Dalian) Co., Ltd. * (中交金牌教育科技(大連)有限公司)	153,998,318	171,145,035
Wuhan Fairy Mountain Road Construction and Development Co., Ltd. * (武漢仙女山路建設發展有限公司)	137,550,130	148,025,888
CCCC Water & Electric Engineering Co., Ltd. * (中交水利電力工程有限公司)	136,734,107	145,603,740
Guangxi CCCC Puqing Expressway Co., Ltd. * (廣西中交浦清高速公路有限公司)	130,046,569	–
Bazhou CCCC Real Estate Development Co., Ltd. * (巴州中交房地產開發有限公司)	128,175,279	87,662,416
Yulin CCCC Urban Utility Tunnel Investment Co., Ltd.* (玉林中交城市綜合管廊投資有限公司)	120,012,835	120,296,000
CCCC Urban-Rural Hebei Construction Development Co., Ltd. * (中交城鄉河北建設發展有限公司)	117,305,291	25,350,499
CCCC Second Harbour Engineering Qianjiang Environmental Protection Co., Ltd. * (中交二航局潛江環保有限公司)	102,888,752	184,021,167

	30 June 2026	31 December 2025
	(Unaudited)	
Tibet OriginWater Environmental Technology Co., Ltd. * (西藏碧水源環境技術有限公司)	100,089,866	–
Hubei CUR Xiangyue Real Estate Development Co., Ltd. * (湖北中城鄉香樾房地產開發有限公司)	33,487,276	128,304,543
China Communications Information & Technology Group Co., Ltd.* (中國交通信息科技集團有限公司)	31,323,041	200,988,050
Wuhu Taishan Road Yangtze River Bridge Construction and Development Co., Ltd. * (蕪湖市泰山路長江大橋建設開發有限公司)	9,731	200,000,000
Others	2,187,975,060	1,801,496,138
Total	**23,792,453,444**	**15,275,108,252**

	30 June 2026	31 December 2025
	(Unaudited)	
Other payables – dividends payables		
China Urban and Rural Holding Group Co., Ltd.* (中國城鄉控股集團有限公司)	168,532,038	141,000,000
CCCG	11,454	1,104,329,836
Total	**168,543,492**	**1,245,329,836**
Short-term borrowings		
Civil Aviation Airport (Note)	1,250,000,000	250,000,000
Total	**1,250,000,000**	**250,000,000**
Lease liabilities		
Tianjin CCCC New Town Construction Development Co., Ltd. * (天津中交新城建設發展有限公司)	87,882,421	86,252,119
Others	50,345,684	49,619,593
Total	**138,228,105**	**135,871,712**
Long-term payables (including amounts due within one year)		
Civil Aviation Airport (Note)	2,041,145,139	2,107,043,563
Guangdong Harbour Engineering Co., Ltd. * (廣東港灣工程有限公司)	193,046,428	211,026,607
Beijing CCCC Road and Bridge Investment Fund Phase V Partnership (Limited Partnership) * (北京中交路橋投資基金五期合夥企業(有限合夥))	100,522,317	181,395,323
ZPMC (Note)	114,048,296	126,599,474
Others	416,559,108	527,936,179
Total	**2,865,321,288**	**3,154,001,146**

Note: The transaction amounts and balances for connected transactions with ZPMC, Civil Aviation Airport and CCCC Real Estate in the above table are the respective aggregate amounts of transaction amounts and balances of connected transactions with each entity and its subsidiaries.

7. Commitments of the Group with related parties

The following are the commitments of the Group in respect of related parties contracted for but not required to be recognised on the balance sheet as at the balance sheet date:

(1) Provision of construction services

	30 June 2026	31 December 2025
	(Unaudited)	
China International Water & Electric Corporation	5,930,847,898	5,973,405,291
CCCG	5,245,001,053	6,413,016,289
CCCC Real Estate (Note)	4,941,209,206	5,732,050,838
Yunnan Dianzhong Xiaoshao Water Ecological Environment Management Co., Ltd. * (雲南滇中小哨水生態環境治理有限責任公司)	4,173,528,880	4,199,235,949
CCCC First Highway Engineering (Xiamen) Tongxiang High-tech City Investment and Construction Co., Ltd. * (中交一公局(廈門)同翔高新城投資建設有限公司)	3,877,109,934	4,358,811,761
Sichuan Kunlun Jiangluyi Expressway Co., Ltd. * (四川崑崙江瀘宜高速公路有限公司)	3,474,930,672	3,529,022,457
Guangxi Nanning Second Ring Expressway Co., Ltd. * (廣西南寧二環高速公路有限公司)	3,345,351,608	3,554,792,714
Guangzhou Zhujing Real Estate Co., Ltd.* (廣州珠景房地產有限公司)	3,217,931,140	3,448,308,054
Wuhu Taishan Road Yangtze River Bridge Construction and Development Co., Ltd. * (蕪湖市泰山路長江大橋建設開發有限公司)	2,982,260,440	3,283,244,938
Guangdong Dapeng Intercity Railway Co., Ltd. * (廣東大鵬城際鐵路有限公司)	2,960,020,707	3,936,223,437
Ezhou CCCC SF Airport Industrial Park Investment and Development Co., Ltd. * (鄂州中交順豐空港產業園投資發展有限公司)	1,965,374,192	1,965,374,192
Hunan Wanglei Guichen Expressway Construction and Development Co., Ltd. * (湖南省王耒桂郴高速公路建設開發有限公司)	1,434,119,504	1,548,697,001
Tianjin Yongyang Rural Environment Co., Ltd. * (天津雍陽鄉村環境有限公司)	1,391,325,703	1,391,325,703
Hohhot CSIQ Jingtong Construction Engineering Co., Ltd. * (呼和浩特阿特斯晶通建設工程有限公司)	1,387,533,436	1,389,017,276
ZPMC (Note)	1,310,297,843	1,380,392,438
Guangxi CCCC Urban-Rural Investment and Construction Co., Ltd. * (廣西中交城鄉投資建設有限公司)	1,264,667,046	1,264,667,046
Guangxi Huantou Liuyu Environmental Governance Co., Ltd. * (廣西環投流域環境治理有限責任公司)	1,230,882,824	1,232,623,217

	30 June 2026	31 December 2025
	(Unaudited)	
China Urban and Rural (Bazhou) Water Environment Comprehensive Renovation Co., Ltd. * (中城鄉(霸州)水環境綜合治理有限公司)	1,221,759,700	1,221,759,700
Tianjin Jing-Jin-Ji Tongcheng Business District Urban Renewal Industry Operation Co., Ltd. * (天津市京津冀同城商務區城市更新產業運營有限公司)	1,202,727,934	1,427,147,069
Jiangsu Yancheng Port Binhai Port Investment and Development Co., Ltd. * (江蘇鹽城港濱海港投資開發有限公司)	1,124,521,951	1,162,752,541
Wuhu Lijing Jiangwan Real Estate Co., Ltd. * (蕪湖麗景江灣置業有限公司)	1,097,444,857	1,177,084,456
Pasir Ris Development Pte. Ltd.	1,076,064,257	1,357,525,718
CCCC Xinjiang Transportation Investment and Development Co., Ltd.* (中交新疆交通投資發展有限公司)	1,048,551,102	1,548,034,633
Malaysia Upper Padas Hydroelectric Project * (馬來西亞上巴達斯水電站項目)	986,090,678	–
Cangzhou Bohai New Area Tianhang Construction Port Construction Management Co., Ltd. * (滄州渤海新區天航建工港口建設管理有限公司)	982,322,785	982,322,785
Civil Aviation Airport (Note)	979,090,157	1,174,407,314
Qingdao Zhongrong Lianhui Communication Investment and Construction Development Co., Ltd. * (青島中融聯匯交通投資建設發展有限公司)	968,082,897	971,777,961
Yunnan Duxiang Expressway Co., Ltd. * (雲南都香高速公路有限公司)	911,957,715	–
Jishou CCCC Water Conservancy Construction Development Co., Ltd. * (吉首中交水利建設發展有限公司)	721,024,998	721,024,998
Shenzhen COSCO SHIPPING Smart Supply Chain Co., Ltd.* (深圳中遠海運智慧供應鏈有限公司)	719,982,222	–
Wuhan Xinhang Real Estate Co., Ltd. * (武漢欣航置業有限公司)	695,908,780	700,456,329
Nanjing Chungang Construction Co., Ltd. * (南京市淳港建設有限責任公司)	692,638,643	696,535,400
Gansu Highway Aviation Tourism Lanyonglin Expressway Project Management Co., Ltd. * (甘肅公航旅蘭永臨高速公路項目管理有限公司)	678,471,325	676,090,121
Yongding River Investment Co., Ltd.	635,746,991	810,572,561

	30 June 2026	31 December 2025
	(Unaudited)	
Hunan Guixin Expressway Construction and Development Co., Ltd. * (湖南省桂新高速公路建設開發有限公司)	632,801,523	884,145,273
Ningbo Yongtaiwen Communication Development Co., Ltd. * (寧波甬台溫交通發展有限公司)	578,354,467	822,966,088
CCCG (Honghu) Investment Construction Development Co. Ltd.* (中交(洪湖)投資建設發展有限公司)	573,770,453	573,770,453
CCCC Second Harbour (Dalian) Urban Development Investment Co., Ltd. * (中交二航(大連)城市發展投資有限公司)	565,674,085	565,981,911
Bijie Highway Communication Investment and Construction Co., Ltd. * (畢節公路交通投資建設有限公司)	539,970,275	539,970,275
Guizhou Guian Expressway Co., Ltd. * (貴州貴安高速公路有限公司)	527,895,009	1,192,661,438
Jiangmen Hexing Real Estate Co., Ltd. * (江門市荷興置業有限公司)	521,541,305	530,078,090
Yunnan Huali Expressway Investment and Development Co., Ltd.* (雲南華麗高速公路投資開發有限公司)	517,793,063	520,542,231
Media Circle Development Pte. Ltd.	498,323,081	625,543,292
Jieyang Great Nanhai Port Co., Ltd. * (揭陽市大南海港務有限公司)	481,195,644	582,683,078
CCCC-SHEC Sixth Engineering Co., Ltd.	474,019,211	551,264,209
Guangxi Pingcen Expressway Co., Ltd.* (廣西平岑高速公路有限公司)	455,559,120	550,269,729
Hubei CUR Xiangyue Real Estate Development Co., Ltd. * (湖北中城鄉香樾房地產開發有限公司)	438,148,524	526,253,549
CCCC (Zhaoqing) Investment Development Co., Ltd. * (中交(肇慶)投資發展有限公司)	398,285,719	398,285,719
Wuhan Linkonggang Wang'an Construction Development Co., Ltd. * (武漢臨空港網安建設發展有限公司)	391,639,880	452,592,066
Shijiazhuang Chengheng Real Estate Development Co., Ltd. * (石家莊城恒房地產開發有限公司)	386,396,055	474,717,992
China Urban and Rural Ecological Environmental Protection Engineering Co., Ltd. * (中城鄉生態環保工程有限公司)	386,060,351	358,533,457
Jiangsu Xiangshui Port Management Co., Ltd. * (江蘇響水港港務有限公司)	376,959,249	393,145,378
Chongqing Yuxiang Double Line Expressway Co., Ltd.* (重慶渝湘復線高速公路有限公司)	361,153,367	371,040,806

	30 June 2026	31 December 2025
	(Unaudited)	
Wuhan Hanxin Infrastructure Investment and Construction Co., Ltd. * (武漢漢信基礎設施投資建設有限公司)	357,354,917	357,354,917
Guangzhou Zengcheng Smart Manufacturing Industrial Park Investment Co., Ltd. * (廣州市增城區智造產業園投資有限公司)	352,273,593	379,390,906
Yantai Jiaorong Construction and Investment Co., Ltd. * (煙台交融建設投資有限公司)	340,506,654	343,135,567
Nanjing CCCC Urban Development Co., Ltd. * (南京中交城市開發有限公司)	337,885,192	344,729,438
Hubei Communications Investment Hanjiang Shiqiao Construction Management Co., Ltd. * (湖北交投漢江十橋建設管理有限公司)	317,176,601	452,932,696
Harbin Metropolitan Area North Ring Line Investment Co., Ltd. * (哈爾濱都市圈北部環線投資有限公司)	299,042,451	530,673,115
CCCC Hami Communications Construction Co., Ltd.* (中交哈密交通建設有限公司)	291,344,420	209,745,239
Yichang Three Gorges Hub Jiangnan Dam Overturning Refined Oil Investment and Operation Co., Ltd. * (宜昌三峽樞紐江南翻壩成品油投資運營有限公司)	287,510,354	362,893,344
Bazhong Chuanshang Investment and Construction Co., Ltd. * (巴中川商投資建設有限公司)	275,416,120	287,658,883
Gansu Jingli Expressway Longnan Management Co., Ltd. * (甘肅景禮高速公路隴南管理有限公司)	269,678,676	303,145,150
Yangzhou CCCC Guangxian Investment Development Co., Ltd. * (揚州中交光線投資開發有限公司)	268,355,091	287,621,971
OriginWater Construction Group Co., Ltd. * (碧水源建設集團有限公司)	264,837,219	148,451,707
Guizhou Meilu Real Estate Co., Ltd. * (貴州美廬置業有限公司)	251,642,594	255,728,251
Chengdu Wenjiang Liuchen Real Estate Co., Ltd. * (成都溫江柳晨置業有限公司)	250,333,661	346,405,536
Anhui Communication Construction and Investment Engineering Co., Ltd. * (安徽省交設建投工程有限公司)	249,838,848	–
CCCC Foshan Investment Development Co., Ltd. * (中交佛山投資發展有限公司)	248,472,986	252,780,826
Hubei Hangtou Green Building Materials Co., Ltd. * (湖北省航投綠色建築材料有限公司)	237,504,903	238,366,381
Guangxi Nanning Urban Education Investment Co., Ltd. * (廣西南寧城市教育投資有限公司)	230,534,166	258,160,050

	30 June 2026	31 December 2025
	(Unaudited)	
Pingdingshan Xingyuan Infrastructure Construction Co., Ltd. * (平頂山興遠基礎設施建設有限公司)	226,276,315	226,299,565
Shenhua Shanghang Dredging Co., Ltd. * (神華上航疏浚有限責任公司)	222,188,089	379,655,281
Hubei Changtou Ecological Xiangyang Construction Investment Co., Ltd.	218,640,019	218,640,019
Tangshan Caofeidian Dredging Co., Ltd. * (唐山曹妃甸疏浚有限公司)	217,650,181	179,949,472
Harbin Young City Real Estate Co., Ltd.* (哈爾濱楊柳郡置業有限公司)	207,558,419	225,509,824
Qian'an CCCC Ecological Construction Co., Ltd. * (遷安市中交生態建設有限公司)	203,039,764	254,818,401
Beijing Shoufa Chengping Jingping Expressway Operation Co., Ltd. * (北京首發承平京平高速公路經營有限公司)	197,549,798	219,377,727
China Urban and Rural (Shehong) Investment Development Co. Ltd.* (中城鄉(射洪)投資發展有限公司	193,551,741	256,590,648
Guohua (Jinshi) Construction Investment Co., Ltd. * (國化(津市)建設投資有限公司)	186,156,524	200,922,588
China Urban and Rural (Datong) Water Co., Ltd. * (中城鄉(大同)水務有限公司)	179,323,285	179,323,285
Shijiazhuang Xingshi Xietong Real Estate Co., Ltd.* (石家莊興石協同置業有限公司)	174,086,306	283,749,943
Shandong Harbour Engineering Group Co., Ltd. * (山東港灣建設集團有限公司)	169,828,881	211,737,862
Xichang Jiaojian Hengxin Investment and Construction Co., Ltd. * (西昌市交建恒新投資建設有限責任公司)	167,278,201	170,458,046
Hangzhou Longwu Tea Town Construction Management Co., Ltd. * (杭州龍塢茶鎮建設管理有限公司)	166,771,808	166,771,808
Hainan Jinhong Commercial Management Co., Ltd. * (海南金泓商業管理有限公司)	163,626,917	169,473,697
Shishou Three Gorges Smart Water Management Co., Ltd. * (石首市三峽智慧水管家有限公司)	159,467,774	307,853,692
Nan'an Yifeng Investment Development Co., Ltd. * (南安市翼豐投資開發有限公司)	153,289,495	202,479,980
Gansu Highway Aviation Tourism Mawu Xizhai Expressway Management Co., Ltd. * (甘肅公航旅馬塢西寨高速公路管理有限公司)	149,577,608	201,162,021
Chongqing CCCC Yuwu Expressway Co., Ltd.* (重慶中交渝武高速公路有限公司)	145,888,522	315,291,133

	30 June 2026	31 December 2025
	(Unaudited)	
CCCC Urban-Rural Hebei Construction Development Co., Ltd. * (中交城鄉河北建設發展有限公司)	144,482,371	136,958,958
Yongdinghe Yanhuai (Huailai) Ecological Development Co., Ltd. * (永定河延懷(懷來)生態發展有限公司)	144,127,068	144,647,941
Dongguan Smart Cloud Corridor Industrial Investment Co., Ltd. * (東莞市智慧雲廊產業投資有限公司)	143,262,430	284,604,880
Chengdu Jinjiang Greenway Construction Investment Group Co., Ltd.* (成都錦江綠道建設投資集團有限公司)	143,007,380	143,007,380
Guangdong Yangjiang Moyang Construction Investment Development Co., Ltd. * (廣東陽江漠陽建設投資發展有限公司)	137,724,759	194,421,565
Qianxi County CCCC Xinjing Ecological Construction Co., Ltd. * (遷西縣中交新京生態建設有限公司)	134,412,325	151,563,555
CCCC Jijiao Expressway Investment and Development Co., Ltd.* (中交建冀交高速公路投資發展有限公司)	127,107,744	223,863,297
Tianjin Lingang Industrial Investment Holding Co., Ltd. * (天津臨港產業投資控股有限公司)	126,165,256	134,019,337
Yidu Riqing Ecological Management Co., Ltd. * (宜都日清生態治理有限公司)	121,035,963	121,035,963
Yulin CCCC Construction Investment Co., Ltd.	120,696,667	153,194,169
CCCC Wodi (Beijing) Real Estate Co., Ltd. * (中交沃地(北京)置業有限公司)	118,242,198	123,304,674
Qinghai Jiaxi Highway Section 3 Construction Management Co., Ltd. * (青海加西公路三標段建設管理有限公司)	115,160,453	141,930,871
CCCC Zhilian Yunhai (Zhangjiakou) Parking Co., Ltd.* (中交智聯雲海(張家口)停車有限公司)	115,055,095	115,246,326
Guangzhou Nansha Mingzhu Bay Area Development Co., Ltd. * (廣州南沙明珠灣區開發有限公司)	111,776,539	117,992,231
Foshan Zhongyi Baohui Real Estate Co., Ltd. * (佛山市中宜保匯房地產有限公司)	111,466,640	121,321,094
Dalian Deep-Sea Resources Development Co., Ltd. * (大連深遠海資源開發有限公司)	111,436,244	112,752,544
CCCC Yancheng Construction Development Co., Ltd.* (中交鹽城建設發展有限公司)	107,522,590	111,192,315
Haikou Jiangdong Xinju First Real Estate Co., Ltd. * (海口江東新居第壹置業有限公司)	102,170,099	123,692,510

	30 June 2026	31 December 2025
	(Unaudited)	
Chengdu Communications Investment Xingrongxi Urban Construction and Development Co., Ltd. * (成都交投興蓉西城市建設開發有限公司)	98,043,452	103,431,850
Guangxi Communications Investment Mining Co., Ltd. * (廣西交投礦業有限公司)	97,258,458	120,292,903
Guizhou Guihuang Expressway Co., Ltd. * (貴州貴黃高速公路有限公司)	96,165,098	116,168,573
Guangzhou Pinhao Real Estate Development Co., Ltd. * (廣州市品灝房地產開發有限公司)	90,864,170	183,478,277
Lentor Central Development Pte. Ltd.	48,189,510	206,493,525
Dongguan Liaobu Smart Manufacturing Cloud Corridor Investment Co., Ltd. * (東莞市寮步鎮智造雲廊投資有限公司)	29,929,496	142,185,335
Jilin Dongrui Construction Engineering Co., Ltd. * (吉林省東瑞建設工程有限公司)	22,886,078	188,611,160
Foshan Chengzhan Real Estate Co., Ltd. * (佛山誠展置業有限公司)	7,257,136	331,890,376
Chongqing CCCC Tong'an Expressway Co., Ltd.* (重慶中交銅安高速公路有限公司)	6,146,824	145,588,443
Others	3,333,890,833	4,781,053,588
Total	**89,677,260,428**	**98,845,327,830**

(2) Receipt of services/purchase of goods

	30 June 2026	31 December 2025
	(Unaudited)	
ZPMC (Note)	3,199,562,754	3,139,775,979
Guangdong Harbour Engineering Co., Ltd. * (廣東港灣工程有限公司)	215,537,792	220,906,826
Rongtong Second Engineering Construction Co., Ltd. * (融通第二工程建設有限責任公司)	–	10,533,568
Others	54,809,682	39,030,392
Total	**3,469,910,228**	**3,410,246,765**

XIII. SHARE-BASED PAYMENT

1. Equity instruments

On 27 April 2023, the Company convened the 2023 Second Extraordinary General Meeting, the 2023 First A Share Class Meeting and the 2023 First H Share Class Meeting, at which the Proposal regarding the 2022 Restricted Share Incentive Scheme (Draft) and Its Summary of China Communications Construction Company Limited (the "2022 Restricted Share Incentive Scheme") was considered and approved. Pursuant to the 2022 Restricted Share Incentive Scheme, the Company granted 97,950,000 Restricted Shares under the initial grant and 17,600,000 Restricted Shares under the reserved grant, of which the initial grant involved 658 Participants, with the initial grant date being 27 April 2023. The Participants of the reserved grant were to be determined within 12 months after the 2022 Restricted Share Incentive Scheme was considered and approved by the general meeting. The initial grant price was RMB5.33 per share.

On 26 January 2024, the Company convened the 29th meeting of the fifth session of the Board of Directors, at which the Proposal on Granting Reserved Restricted Shares to Participants under the Company's 2022 Restricted Share Incentive Scheme (the "Proposal") was considered and approved. Pursuant to the Proposal, 900,000 of the 17,600,000 Restricted Shares under the reserved grant originally designated under the 2022 Restricted Share Incentive Scheme were forfeited, and 16,700,000 Restricted Shares were actually granted under the reserved grant, involving 134 Participants, with the reserved grant date being 26 January 2024 and the grant price being RMB5.06 per share.

Equity instruments are set out as follows:

	Number as at 1 January 2026	Lapsed during the period	Unlocked during the period	Number as at 30 June 2026
Management personnel	5,440,000	(146,200)	(5,293,800)	–

Equity instruments outstanding as at the end of the period are as follows:

	Other equity instruments	
	Range of exercise prices	Remaining contractual life
Management personnel	2022 Equity Incentive Plan	First unlocking period for both initial and reserved grants: from the first trading day after the 24th month from the respective dates of registration completion of grants to the last trading day within the 36th month from the respective dates of registration completion of grants
	Initial grant price for 2023: RMB5.33/share	Second unlocking period for both initial and reserved grants: from the first trading day after the 36th month from the respective dates of registration completion of grants to the last trading day within the 48th month from the respective dates of registration completion of grants
	Reserved grant price for 2024: RMB5.06/share	Third unlocking period for both initial and reserved grants: from the first trading day after the 48th month from the respective dates of registration completion of grants to the last trading day within the 60th month from the respective dates of registration completion of grants

2. Equity-settled share-based payment

Equity-settled share-based payments are set out as follows:

	For the six months ended 30 June 2026
Method for determining the fair value of equity instruments as of grant date	Closing price of Restricted Shares on grant date
Basis for determining the number of equity instruments exercisable	Number of shares expected to be unlocked in the future
Reasons for significant differences between estimates of current period and previous period	N/A
Cumulative amount of equity-settled share-based payment recognised in capital reserves	239,374,086
Total administrative expenses recognised for equity-settled share-based payment during the period	1,025,506

XIV. COMMITMENTS AND CONTINGENCIES

1. Capital expenditure commitments

	30 June 2026	31 December 2025
	(Unaudited)	
Buildings and structures, plant and equipment, and vessels	1,314,131,181	1,786,197,081
Intangible assets–concession rights	93,544,009,963	108,125,482,365
Total	**94,858,141,144**	**109,911,679,446**

2. Contingencies

	30 June 2026	31 December 2025
	(Unaudited)	
Contingent liabilities arising from pending litigation or arbitration (Note 1)	5,796,399,330	4,743,200,690
Contingent liabilities arising from external guarantees (Note 2)	2,494,041,336	2,517,581,781
Contingent liabilities arising from mortgage loan guarantees provided to property buyers (Note 3)	4,909,582,259	5,098,252,020
Contingent liabilities arising from liquidity support provided (Note 4)	49,249,620,033	54,287,155,531
Total	**62,449,642,958**	**66,646,190,022**

Note 1: The Group is involved in disputes, litigations or claims with customers, subcontractors, suppliers and others in the ordinary course of business. After consulting relevant legal advisors and upon careful estimation by management of the outcome of these pending disputes, litigations or claims, provisions have been made accordingly for those disputes, litigations or claims that are probable to result in a loss to the Group (Note V. 42). For pending disputes, litigations or claims for which the final outcome cannot be reasonably estimated at present, or which management believes are not likely to have a material adverse effect on the Group's operating results or financial position, no provision has been made.

Note 2: As at 30 June 2026, the external guarantees provided by the Group are as follows (Unaudited):

Guarantor	Guaranteed party	Amount	Term
CCCC First Highway Engineering Group Co., Ltd.	Chongqing Wanli Wanda Expressway Co., Ltd.	720,000,000	2014–2044
CCCC First Highway Engineering Group Co., Ltd.	Chongqing Wanli Wanda Expressway Co., Ltd.	120,000,000	2012–2042
CCCC First Highway Engineering Group Co., Ltd.	Chongqing Wanli Wanda Expressway Co., Ltd.	200,000,000	2013–2043
Road & Bridge International Co., Ltd.	Guizhou Wengma Railway Co., Ltd.	507,728,355	2016–2039
Road & Bridge International Co., Ltd.	Chongqing Zhongwan Expressway Co., Ltd.	450,000,000	2013–2043
CCCC Fourth Harbour Engineering Co., Ltd.	Chongqing Zhongwan Expressway Co., Ltd.	150,000,000	2013–2043
CCCC Construction Group Co., Ltd.	Chongqing Tongyong Expressway Co., Ltd.	150,916,552	2013–2045
CCCC Third Highway Engineering Co., Ltd.	Chongqing Zhongdu Expressway Co., Ltd.	112,000,000	2013–2043
CCCC Guangzhou Dredging Co., Ltd.	Hubei Changtou Ecological Xiangyang Construction Investment Co., Ltd.	6,727,598	2021–2047
Chongqing Yuyuan Water Resources Development Co., Ltd.	Wuxi Daxi Hydropower Co., Ltd.	6,576,831	2009–2029
China Harbour Engineering Co., Ltd.	Cameroon Kribi Container Terminal Co., Ltd.	70,092,000	2023–2030
Total		**2,494,041,336**	

The above amounts represent the maximum loss that would be suffered by the Group in the event of default by the guaranteed enterprises. The above guaranteed parties are in good financial condition, and management does not expect any material risk of debt default; therefore, no provisions have been recognised in respect of the financial guarantees.

Note 3: In accordance with real estate operating practice and the requirements of the Housing Provident Fund Management Centre and banks, the property development subsidiaries of the Company provide mortgage loan guarantees for the purchasers of commercial housing. The guarantees are of a staged nature, and the guarantee period lasts from the effective date of the commercial housing transfer contract until the date on which the certificate of other rights to the housing purchased by the purchasers and the mortgage registration procedures are completed and the relevant documents are delivered to the Housing Provident Fund Management Centre or the bank for custody.

Note 4: As at 30 June 2026, the asset-backed securities and asset-backed notes issued and outstanding by the Group amounted to RMB69,141,242,497 (31 December 2025: RMB74,018,352,923). For the senior asset-backed securities and senior asset-backed notes amounting to RMB49,249,620,033 (31 December 2025: RMB54,287,155,531), the Group is obliged to provide liquidity support for the difference between the funds available for distribution in each period of the asset-backed securities special purpose plan and the asset-backed notes trust and the fixed income and principal payable in respect of those senior asset-backed securities and senior asset-backed notes in each period. The Group assesses the likelihood of having to provide such liquidity support as low.

3. Other commitments

Pursuant to the financial services framework agreement entered into between CCCC Finance, a subsidiary of the Company, and the controlling shareholder CCCG, CCCC Finance has committed to providing credit services to the controlling shareholder and its subsidiaries. Details are disclosed in Note XII. 5.

XV. EVENTS AFTER THE REPORTING PERIOD

Up to 27 August 2026, the Company had no significant events after the reporting period requiring disclosure.

XVI. OTHER SIGNIFICANT MATTERS

1. Segment information

(1) Operating segments

For management purposes, the Group is organised into business units based on products and services, and has the following three reportable segments:

(1) The new infrastructure segment mainly provides construction services for infrastructure such as ports, roads, bridges and railways, as well as engineering services such as infrastructure dredging, maintenance dredging, environmental dredging and reclamation;

(2) The design and consulting segment mainly provides consulting and planning services, feasibility studies, survey and design, engineering consultancy, engineering measurement and technical research, project management, project supervision, EPC contracting, etc.;

(3) The other segments mainly include material sales, fund investment and equipment manufacturing, etc.

Management separately manages the operating results of each business unit for the purpose of resource allocation and performance evaluation. Segment performance is evaluated based on the reported segment profit.

Transfer prices between segments are determined by reference to the prices adopted for sales to third parties or the provision of services to third parties.

Segment information for the six months ended 30 June 2026 (Unaudited):

	New infrastructure	Design and consulting	Other	Unallocated amounts	Adjustments and eliminations	Total
Revenue from external customers	318,032,416,436	11,015,775,784	4,111,535,799	–	–	333,159,728,019
Inter-segment revenue	1,577,489,841	1,328,478,618	411,333,902	–	(3,317,302,361)	–
Total	**319,609,906,277**	**12,344,254,402**	**4,522,869,701**	**–**	**(3,317,302,361)**	**333,159,728,019**
Asset impairment (losses)/reversal	(268,950,834)	(14,106,008)	58,126	–	–	(282,998,716)
Credit impairment losses	(1,485,305,889)	(264,081,159)	(311,393,898)	–	–	(2,060,780,946)
Depreciation and amortisation	(5,840,201,833)	(263,513,009)	(945,046,973)	–	–	(7,048,761,815)
Total profits	11,889,112,996	364,160,688	673,970,971	(456,572,288)	(30,839,663)	12,439,832,704
Net profit	11,889,112,996	364,160,688	673,970,971	(3,342,557,016)	(30,839,663)	9,553,847,976
Other disclosures						
Non-cash expenses other than depreciation and amortisation	(1,751,881,748)	(282,209,051)	(312,249,718)	–	–	(2,346,340,517)
Additions to non-current assets other than long-term equity investments	13,435,573,295	218,271,310	704,042,729	–	–	14,357,887,334

Segment information for the six months ended 30 June 2025 (Unaudited):

	New infrastructure	Design and consulting	Other	Unallocated amounts	Adjustments and eliminations	Total
Revenue from external customers	321,099,438,361	11,578,432,802	4,376,759,347	–	–	337,054,630,510
Inter-segment revenue	193,640,493	1,428,885,186	416,872,629	–	(2,039,398,308)	–
Total	**321,293,078,854**	**13,007,317,988**	**4,793,631,976**	**–**	**(2,039,398,308)**	**337,054,630,510**
Asset impairment (losses)/reversal	(473,403,374)	(8,978,628)	425,281	–	–	(481,956,721)
Credit impairment losses	(1,476,328,706)	(231,018,794)	(208,625,199)	–	–	(1,915,972,699)
Depreciation and amortisation	(5,925,480,666)	(180,720,950)	(867,875,984)	–	–	(6,974,077,600)
Total profits	15,200,415,364	1,012,299,523	973,034,764	(956,751,911)	(26,133,790)	16,202,863,950
Net profit	15,200,415,364	1,012,299,523	973,034,764	(4,292,513,526)	(26,133,790)	12,867,102,335
Other disclosures						
Non-cash expenses other than depreciation and amortisation	(1,856,118,928)	(243,052,794)	(209,243,433)	–	–	(2,308,415,155)
Additions to non-current assets other than long-term equity investments	15,546,602,458	244,399,779	481,845,905	–	–	16,272,848,142

Note: The Group's long-term equity investments are not allocated to any operating segment. Due to internal business adjustments within the Group, the prior period segment data has been restated.

Segment information as at 30 June 2026 (Unaudited):

	New infrastructure	Design and consulting	Other	Unallocated amounts	Adjustments and eliminations	Total
Total assets	1,856,482,424,395	66,420,231,290	147,983,785,480	187,522,860,726	(83,403,954,652)	2,175,005,347,239
Total liabilities	839,052,148,068	30,018,371,593	26,235,322,120	851,090,864,197	(52,768,488,319)	1,693,628,217,659

Segment information as at 31 December 2025:

	New infrastructure	Design and consulting	Other	Unallocated amounts	Adjustments and eliminations	Total
Total assets	1,745,723,149,032	70,762,540,796	141,673,037,939	203,203,401,898	(142,230,433,975)	2,019,131,695,690
Total liabilities	779,225,378,688	33,823,884,464	32,624,069,746	773,402,695,395	(67,831,268,256)	1,551,244,760,037

(2) Other information

Geographical information

Revenue from external customers

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Chinese Mainland (excluding Hong Kong, Macau and Taiwan)	244,215,419,500	268,913,587,855
Other countries and regions	88,944,308,519	68,141,042,655
Total	**333,159,728,019**	**337,054,630,510**

Revenue from external customers is attributed to the regions where the customers are located.

Total non-current assets

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(Unaudited)	(Unaudited)
Chinese Mainland (excluding Hong Kong, Macau and Taiwan)	340,139,638,873	311,077,506,084
Other countries and regions	43,608,422,653	43,489,265,692
Total	**383,748,061,526**	**354,566,771,776**

Non-current assets are attributed to the regions where the assets are located, and exclude financial assets, long-term equity investments, deferred tax assets and contract assets (the portion classified as other non-current assets).

Major customer information

During the six months ended 30 June 2026, no operating revenue derived from any single customer of the Group exceeded 10% of the Group's revenue (during the six months ended 30 June 2025: did not exceed 10%).

Performance obligations

Infrastructure construction, infrastructure design and dredging services

Performance obligations are satisfied over time as services are provided, and payment is typically due within 90 days from the date of billing. Customers retain a certain percentage of the payment until the end of the warranty period, because the customers' right to final payment depends on whether the Group meets the service quality standards over the period specified in the contract.

Other services

Other services mainly include the sale of goods. Performance obligations are satisfied upon delivery of the goods, and payment is generally due within 30 to 90 days from the date of delivery, except for new customers, who are generally required to pay in advance.

As at 30 June 2026, the Group's remaining performance obligations are mainly related to the Group's construction contracts. The remaining performance obligations are expected to be recognised as revenue over the next 1 to 5 years according to the progress of the construction contracts.

XVII. NOTES TO THE MAJOR ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY

1. Cash and bank balances

	30 June 2026	31 December 2025
	(unaudited)	
Cash on hand	89,430	84,577
Bank balances	26,463,971,231	21,995,907,416
Other cash and bank balances	15,009,704	–
Total	**26,479,070,365**	**21,995,991,993**

2. Accounts receivable

The Company's accounts receivable mainly consists of receivables from the engineering contracting business. Project quality deposit receivable under construction contracts is generally due within 1 to 3 years after project completion and is accounted for as other non-current assets, with the portion due within one year classified as contract assets.

(1) Disclosure by ageing

	30 June 2026	31 December 2025
	(unaudited)	
Within one year	4,903,072,765	5,155,506,176
One to two years	292,268,082	391,083,700
Two to three years	226,567,289	191,149,654
Three to four years	72,828,624	56,734,624
Four to five years	988,212,602	988,212,602
Over five years	125,253,320	125,253,320
Subtotal	**6,608,202,682**	**6,907,940,076**
Less: Provisions for bad and doubtful debts of accounts receivable	1,237,233,204	1,231,925,950
Total	**5,370,969,478**	**5,676,014,126**

(2) Disclosure by provision method for bad and doubtful debts

	30 June 2026 (unaudited)				
	Book value		Provisions for bad and doubtful debts		Carrying amount
	Amount	Percentage	Amount	Percentage	
		(%)		(%)	
Provisions for bad and doubtful debts on individual assessment	4,263,359	0.06	(3,410,687)	80.00	852,672
Provisions for bad and doubtful debts based on credit risk characteristics	6,603,939,323	99.94	(1,233,822,517)	18.68	5,370,116,806
Total	**6,608,202,682**	**100.00**	**(1,237,233,204)**		**5,370,969,478**

	31 December 2025				
	Book value		Provisions for bad and doubtful debts		Carrying amount
	Amount	Percentage	Amount	Percentage	
		(%)		(%)	
Provisions for bad and doubtful debts on individual assessment	4,263,359	0.06	(3,410,687)	80.00	852,672
Provisions for bad and doubtful debts based on credit risk characteristics	6,903,676,717	99.94	(1,228,515,263)	17.80	5,675,161,454
Total	**6,907,940,076**	**100.00**	**(1,231,925,950)**		**5,676,014,126**

(3) Information on provisions for bad and doubtful debts

	Opening balance for the period/year	Provision for the period/year	Reversal for the period/year	Other decrease	Closing balance for the period/year
For the six months ended 30 June 2026 (unaudited)	1,231,925,950	13,850,780	(8,543,526)	–	1,237,233,204
2025	1,242,771,040	56,816,530	(67,661,620)	–	1,231,925,950

The changes in the book balance of accounts receivable that affected the change in loss provisions during the period are disclosed in the breakdown of provisions for bad and doubtful debts based on individual assessment or on credit risk characteristics in this note.

(4) Accounts receivable and contract assets categorized by the top five debtors by their closing balances

As at 30 June 2026, the top five accounts receivable and contract assets are as follows (unaudited):

	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of the total closing balance of accounts receivable and contract assets (%)	Closing balance of provisions for bad and doubtful debts of accounts receivable and provisions for impairment of contract assets
Company A	952,893,232	691,474,330	1,644,367,562	11.95	22,713,491
Company B	4,184,647	1,316,539,515	1,320,724,162	9.59	8,838,971
Company C	951,292,509	230,095,099	1,181,387,608	8.58	7,799,041
Company D	52,270,339	688,891,861	741,162,200	5.38	4,891,671
Company E	283,279,296	445,061,694	728,340,990	5.29	4,883,517
Total	**2,243,920,023**	**3,372,062,499**	**5,615,982,522**	**40.79**	**49,126,691**

For the six months ended 30 June 2026, there were no significant recoveries, reversals or write-offs of bad and doubtful debts provisions for accounts receivable.

3. Other receivables

	30 June 2026 (unaudited)	31 December 2025
Dividends receivable	8,180,741,993	8,582,690,806
Other receivables	39,899,773,971	39,616,737,800
Total	**48,080,515,964**	**48,199,428,606**

(1) Classification of dividends receivable

	30 June 2026 (unaudited)	31 December 2025
Dividends receivable from subsidiaries and related companies	8,180,741,993	8,582,690,806

(2) Disclosure of other receivables by ageing

	30 June 2026	31 December 2025
	(unaudited)	
Within one year	27,128,380,994	16,013,838,998
One to two years	4,033,184,835	3,086,562,792
Two to three years	2,729,647,618	7,483,501,021
Three to four years	2,607,029,294	9,331,768,241
Four to five years	663,418,790	805,711,748
Over five years	3,029,080,138	3,185,638,086
Subtotal	**40,190,741,669**	**39,907,020,886**
Less: Provisions for bad and doubtful debts of other receivables	290,967,698	290,283,086
Total	**39,899,773,971**	**39,616,737,800**

(3) Other receivables classified by nature

	30 June 2026	31 December 2025
	(unaudited)	
Accounts receivable from subsidiaries and related companies	39,312,255,661	39,148,661,605
Advances	89,317,392	37,675,297
Deposits	27,137,727	19,312,697
Performance bond	85,186,314	85,186,314
Tender deposit	1,600,000	3,200,000
Other deposits	220,348,990	219,760,135
Other	454,895,585	393,224,838
Subtotal	**40,190,741,669**	**39,907,020,886**
Less: Provisions for bad and doubtful debts of other receivables	290,967,698	290,283,086
Total	**39,899,773,971**	**39,616,737,800**

(4) Provisions for bad and doubtful debts of other receivables

30 June 2026 (unaudited)

	Book balance		Provisions for bad and doubtful debts		Book value
	Amount	Percentage	Amount	Provision ratio	
		(%)		(%)	
Provisions for bad and doubtful debts on individual assessment	176,516,143	0.44	(124,226,604)	70.38	52,289,539
Provisions for bad and doubtful debts based on credit risk characteristics	40,014,225,526	99.56	(166,741,094)	0.42	39,847,484,432
Total	**40,190,741,669**	**100.00**	**(290,967,698)**		**39,899,773,971**

31 December 2025

	Book balance		Provisions for bad and doubtful debts		Book value
	Amount	Percentage	Amount	Provision ratio	
		(%)		(%)	
Provisions for bad and doubtful debts on individual assessment	105,550,930	0.26	(105,550,930)	100.00	–
Provisions for bad and doubtful debts based on credit risk characteristics	39,801,469,956	99.74	(184,732,156)	0.46	39,616,737,800
Total	**39,907,020,886**	**100.00**	**(290,283,086)**		**39,616,737,800**

The following are other receivables for which individual provisions for bad and doubtful debts have been made:

	30 June 2026(unaudited)				31 December 2025			
	Book balance	Provisions for bad and doubtful debts	Provision ratio (%)	Reasons for provisions	Book balance	Provisions for bad and doubtful debts	Provision ratio (%)	Reasons for provisions
Company A	84,909,430	(84,909,430)	100.00	Debtor's financial or operational irregularities	84,909,430	(84,909,430)	100.00	Debtor's financial or operational irregularities
Company B	20,641,500	(20,641,500)	100.00	Debtor's financial or operational irregularities	20,641,500	(20,641,500)	100.00	Debtor's financial or operational irregularities
Others	70,965,213	(18,675,674)	26.32		–	–	–	
Total	**176,516,143**	**(124,226,604)**			**105,550,930**	**(105,550,930)**		

Other receivables for which bad and doubtful debt provisions were made on a portfolio basis were as follows (unaudited):

	Book balance	Impairment provisions	Provision ratio (%)
	(unaudited)	(unaudited)	(unaudited)
Ageing portfolio	40,014,225,526	(166,741,094)	0.42

The changes in bad and doubtful debt provisions for other receivables, based on the 12-month expected credit losses and the lifetime expected credit losses, respectively, are as follows (unaudited):

	Phase 1	Phase 2	Phase 3	Total
	12-month expected credit losses	Lifetime expected credit losses (no credit-impaired)	Lifetime expected credit losses (credit-impaired)	
Opening balance	66,770,647	117,961,509	105,550,930	290,283,086
Provisions in the current period	311,439	735,478	–	1,046,917
Reversals in the current period	(304,441)	(2,976,973)	–	(3,281,414)
Other changes	(102)	2,919,211	–	2,919,109
Closing balance	**66,777,543**	**118,639,225**	**105,550,930**	**290,967,698**

The main changes in the book balance of other receivables that affected the change in loss provisions during the period included: new accounts receivable from subsidiaries, advances and other receivables totaling RMB2,818,450,797, which increased the book balance by 7% and consequently increased the expected credit losses; derecognition of tender deposits and other receivables totaling RMB2,534,730,014, which led to a 6% decrease in book balance and consequently decreased the expected credit losses,

(5) Provisions for bad and doubtful debts of other receivables

	Opening balance for the period/year	Provision for the period/year	Reversal for the period/year	Other changes	Closing balance for the period/year
For the six months ended 30 June 2026 (unaudited)	290,283,086	1,046,917	(3,281,414)	2,919,109	290,967,698
2025	183,782,149	108,222,313	(11,505,568)	9,784,192	290,283,086

For the six months ended 30 June 2026, there were no individually significant recoveries, reversals or write-offs of bad and doubtful debts provisions for other receivables.

(6) Other receivables categorized by the top five debtors by their closing balances (unaudited)

	Closing balance	Percentage of the total balance of other receivables (%)	Nature	Ageing	Closing balance of provisions for bad and doubtful debts
CCCC Ocean Investment Holding Company Limited* (中交海洋投資控股有限公司)	8,821,046,911	21.95	Accounts receivable from subsidiaries	Within one year, one to two years, two to three years and over five years	–
CCCC Investment Co., Ltd.	8,087,555,979	20.12	Accounts receivable from subsidiaries	Within one year	–
China Road and Bridge Corporation	3,469,681,846	8.63	Accounts receivable from subsidiaries	Within one year, one to two years and two to three years	–
CCCC Yunnan Highway Development Co., Ltd.* (中交雲南高速公路發展有限公司)	2,587,508,265	6.44	Accounts receivable from subsidiaries	Within one year and two to three years	–
CCCC Asset Management Co., Ltd.	1,606,795,719	4.00	Accounts receivable from subsidiaries	Within one year and one to two years	–
Total	**24,572,588,720**	**61.14**			**–**

4. Long-term equity investments

(1) Long-term equity investments

	30 June 2026 (unaudited)	31 December 2025
Subsidiaries	176,172,843,705	175,967,600,814
Joint ventures	6,413,809,837	6,256,868,259
Associates	13,625,684,361	13,313,554,876
Subtotal	**196,212,337,903**	**195,538,023,949**
Less: Impairment provisions for long-term equity investments	42,250,531	42,250,531
Total	**196,170,087,372**	**195,495,773,418**

During the six months ended 30 June 2026 and in 2025, there is no change in the impairment provisions for long-term equity investments.

During the six months ended 30 June 2026 and in 2025, the Company did not have any significant restrictions on the realization of long-term investments and the repatriation of earnings.

(a) Subsidiaries (unaudited)

		Changes in the period			
	Opening balance	Impact of share-based payments	Increase in investments	Closing balance	Cash dividends declared and paid for the period
CCCC Dredging (Group) Co., Ltd.	16,758,387,765	129,085	–	16,758,516,850	–
CCCC Capital Holdings Limited* (中交資本控股有限公司)	14,463,106,012	–	–	14,463,106,012	–
CCCC Investment Co., Ltd.	13,573,297,581	–	–	13,573,297,581	–
Gansu Qilianshan Cement Group Ltd.* (甘肅祁連山水泥集團有限公司)	7,977,992,870	–	–	7,977,992,870	–
CCCC Urban Investment Holding Co., Ltd.	9,398,623,558	–	–	9,398,623,558	–
CCCC Asset Management Co., Ltd.	7,051,910,893	28,685	–	7,051,939,578	–
CCCC First Highway Engineering Group Co., Ltd.	6,780,281,760	129,085	–	6,780,410,845	–
CCCC Finance	6,650,626,147	33,467	–	6,650,659,614	–
CCCC First Harbour Engineering Co., Ltd.	7,451,541,793	62,152	–	7,451,603,945	–
CCCC Third Harbour Engineering Co., Ltd.	5,466,609,514	19,124	–	5,466,628,638	–
Road & Bridge International Co., Ltd.	7,409,989,796	29,575	–	7,410,019,371	–
CCCC Western Investment Co., Ltd.* (中交西部投資有限公司)	5,400,804,337	–	–	5,400,804,337	–
CCCC Fourth Harbour Engineering Co., Ltd.	6,897,080,684	38,248	–	6,897,118,932	–
CCCC Design Consulting Group Co., Ltd.	4,991,350,754	(39,082)	–	4,991,311,672	–

		Changes in the period			
	Opening balance	Impact of share-based payments	Increase in investments	Closing balance	Cash dividends declared and paid for the period
CCCC Second Harbour Engineering Co., Ltd.	7,512,965,108	19,124	–	7,512,984,232	–
CCCC (Beijing) One-term Equity Investment Fund LLP	1,168,987,441	–	–	1,168,987,441	–
China Road and Bridge Corporation	3,983,497,017	9,561	–	3,983,506,578	–
China Harbour Engineering Co., Ltd.	3,857,827,908	38,247	–	3,857,866,155	–
CCCC Ocean Investment Holding Company Limited* (中交海洋投資控股有限公司)	3,573,595,924	47,810	–	3,573,643,734	–
CCCC Second Highway Engineering Co., Ltd.	4,420,996,643	52,590	–	4,421,049,233	–
CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd.	2,707,436,471	–	–	2,707,436,471	–
CCCC Yunnan Highway Development Co., Ltd.* (中交雲南高速公路發展有限公司)	2,492,000,000	–	–	2,492,000,000	–
CCCC Construction Group Co., Ltd.	3,043,024,033	(69,490)	–	3,042,954,543	–
China Communications Materials & Equipment Co., Ltd.	1,726,139,399	–	–	1,726,139,399	–
CCCC Tianhe Machinery and Equipment Manufacturing Co., Ltd.	1,513,604,606	–	–	1,513,604,606	–
CCCC Third Highway Engineering Co., Ltd.	1,504,075,960	9,562	–	1,504,085,522	–
CCCC Third Harbour Consultants Co., Ltd.	1,448,916,342	23,904	–	1,448,940,246	–
CCCC Changjiang Construction and Development Group Co., Ltd.	1,510,961,970	38,247	–	1,511,000,217	8,808,024
CCCC International Holding Limited	2,494,230,493	–	–	2,494,230,493	–
CCCC Quanzhou Expressway Co., Ltd.* (中交泉州高速公路有限責任公司)	1,101,672,001	–	–	1,101,672,001	–
CCCC Haixi Investment Co., Ltd.* (中交海西投資有限公司)	1,004,018,920	–	–	1,004,018,920	–
CCCC Strait Construction Investment and Development Co., Ltd.* (中交海峽建設投資發展有限公司)	1,000,000,000	–	–	1,000,000,000	–
Others	9,632,047,114	180,898	204,462,099	9,836,690,111	–
Total	**175,967,600,814**	**780,792**	**204,462,099**	**176,172,843,705**	**8,808,024**

(b) Joint ventures (unaudited)

				Changes in the period							
	Investment costs	Opening carrying amount	Opening impairment provisions	Increase in investments	Gains or losses from investment under equity method	Cash dividends declared	Others	Closing carrying amount	Closing impairment provisions	Shareholding proportion (%)	Voting proportion (%)
CCCC Xinjiang Transportation Investment and Development Co., Ltd.* (中交新疆交通投資發展有限公司)	5,208,666,757	5,239,510,981	–	–	534,037	–	55,057	5,240,100,075	–	9.86%	9.86%
Tianjin Rail Transit Line No.3 Operation Co., Ltd. * (天津三號線軌道交通運營有限公司)	475,432,866	486,521,258	–	–	9,261,043	(32,447,327)	(41,180)	463,293,794	–	24.70%	24.70%
Capital Expressway Development Co., Ltd.* (首都高速公路發展有限公司)	50,000,000	219,457,337	42,250,531	–	1,537,962	–	256,429	221,251,728	42,250,531	50.00%	50.00%
CCCC Guodiao Blue (Xiamen) Industrial Fund Limited Partnership*(中交國調藍色(廈門)產業基金合夥企業(有限合夥))	85,274,637	87,184,729	–	–	(472,640)	–	–	86,712,089	–	19.80%	19.80%
Salvador – Itaparica Bridge Road System Concession Company* (薩爾瓦多 – 伊塔帕里卡大橋道路系統特許經營股份公司)	362,678,799	181,943,423	–	179,806,393	(1,548,196)	–	–	360,201,620	–	37.50%	37.50%
Total		**6,214,617,728**	**42,250,531**	**179,806,393**	**9,312,206**	**(32,447,327)**	**270,306**	**6,371,559,306**	**42,250,531**		

(c) Associates (unaudited)

			Changes in the period						
	Investment costs	Opening balance	Increase in investments	Gains or losses from investment under equity method	Cash dividends declared	Others	Closing balance	Shareholding proportion (%)	Voting proportion (%)
ZPMC	3,896,894,695	4,051,343,888	–	81,826,036	–	(10,997,696)	4,122,172,228	16.24%	16.24%
TaiYuan-ZhongWei-YinChuan Railway Co., Ltd.	2,000,000,000	2,154,076,487	–	18,594,363	(27,925,207)	4,684,758	2,149,430,401	14.66%	14.66%
Jiangsu Zhangjinggao Bridge Co., Ltd.* (江蘇張靖皋大橋有限責任公司)	1,558,000,000	1,558,045,414	–	(20,868)	–	–	1,558,024,546	10.78%	10.78%
China State-owned Enterprise Structural Adjustment Fund Phase II Co., Ltd.* (中國國有企業結構調整基金二期股份有限公司)	1,258,123,200	1,328,076,960	–	48,968,472	–	–	1,377,045,432	2.46%	2.46%
Yunnan Huali Expressway Investment and Development Co., Ltd.* (雲南華麗高速公路投資開發有限公司)	1,919,741,751	1,301,540,392	310,000,000	(58,180,704)	–	–	1,553,359,688	44.00%	44.00%
Jiangsu South Riverside Intercity Railway Co., Ltd* (江蘇南沿江城際鐵路有限公司)	1,277,000,000	1,075,059,778	–	(52,529,921)	–	1,458,931	1,023,988,788	20.92%	20.92%
CCCC Central-South Engineering Co., Ltd.* (中交中南工程局有限公司)	960,360,321	1,010,422,995	–	7,934,866	–	2,772,932	1,021,130,793	49.00%	49.00%
Shanghai Zhenhua Shipping Co.,Ltd.*(上海振華船運有限公司)	152,525,673	168,335,247	–	(524,510)	–	(1,467,148)	166,343,589	45.00%	45.00%
CCCC Oil and Gas Pipeline Engineering Co., Ltd.* (中交石油天然氣管道工程有限公司)	152,241,444	183,203,416	–	78,862	–	1,282,985	184,565,263	20.00%	20.00%
Tianjin Line 2 Rail Transit Operation Co., Ltd.* (天津二號線軌道交通運營有限公司)	148,139,971	136,516,438	–	5,495,583	–	361,877	142,373,898	10.00%	10.00%
Zhongguancun Cooperative Development Investment Co., Ltd.* (中關村協同發展投資有限公司)	30,000,000	140,828,006	–	(24,448,289)	–	–	116,379,717	30.00%	30.00%
Zhongguancun Medical Equipment Park Co., Ltd* (中關村醫療器械園有限公司)	90,000,000	129,594,335	–	4,764,163	–	–	134,358,498	31.30%	31.30%
Xinjiang Dunruo Highway Investment and Development Co., Ltd.* (新疆敦若公路投資發展有限責任公司)	76,211,520	76,211,520	–	–	–	–	76,211,520	20.00%	20.00%
Beijing Zhonglu Urban Development Co., Ltd.* (北京中路城市開發有限責任公司)	300,000	300,000	–	–	–	–	300,000	10.00%	10.00%
Total		**13,313,554,876**	**310,000,000**	**31,958,053**	**(27,925,207)**	**(1,903,361)**	**13,625,684,361**		

5. Investment in other equity instruments

(1) Investment in other equity instruments (unaudited)

	Opening balance	Gains recognized in other comprehensive income for the period	Losses recognized in other comprehensive income for the period	Cumulative gains recognized in other comprehensive income	Cumulative losses recognized in other comprehensive income	Dividend income for the period	Closing balance
China Merchants Bank Co., Ltd.	8,465,877,971	(1,327,192,271)	–	6,436,371,103	–	–	7,138,685,700
Others	16,432,589	–	–	–	–	–	16,432,589
Total	**8,482,310,560**	**(1,327,192,271)**	**–**	**6,436,371,103**	**–**	**–**	**7,155,118,289**

Note: The above investment in other equity instruments are held by the Company for non trading purposes and are designated as investments at fair value through other comprehensive income.

6. Short-term borrowings

	30 June 2026 (unaudited)	31 December 2025
Credit loans	56,455,801,778	45,329,543,772

7. Accounts payable

(1) Breakdown of accounts payable

	30 June 2026 (unaudited)	31 December 2025
Within one year	19,029,495,026	12,036,948,631
One to two years	485,897,793	1,162,715,178
Two to three years	224,746,662	729,233,394
Over three years	2,962,518,807	3,342,931,329
Total	**22,702,658,288**	**17,271,828,532**

(2) Breakdown of accounts payables by nature

	30 June 2026 (unaudited)	31 December 2025
Payables for construction	21,861,231,308	16,520,268,999
Payables for materials	514,758,792	446,496,616
Payables for equipment purchases	8,694,063	10,789,408
Others	317,974,125	294,273,509
Total	**22,702,658,288**	**17,271,828,532**

8. Other payables

	30 June 2026	31 December 2025
	(unaudited)	
Dividends payables	1,639,936,972	2,235,991,731
Other payables	29,222,531,031	42,079,031,995
Total	**30,862,468,003**	**44,315,023,726**

(1) Dividends payables

	30 June 2026	31 December 2025
	(unaudited)	
Dividends on ordinary shares	1,459,239,526	1,886,291,731
Interest on perpetual bonds	180,697,446	349,700,000
Total	**1,639,936,972**	**2,235,991,731**

As at 30 June 2026, the Company had no dividends payable not paid exceeding one year (31 December 2025: nil).

(2) Breakdown of other payables by nature

	30 June 2026	31 December 2025
	(unaudited)	
Accounts payable to related parties	28,099,057,001	40,562,563,886
Advances payables	703,148,053	785,816,026
Performance bond and tender deposit payable	55,049,965	44,587,685
Deposits payables	18,751,667	60,559,072
Others	346,524,345	625,505,326
Total	**29,222,531,031**	**42,079,031,995**

As at 30 June 2026, other payables aged over one year amounted to RMB13,429,944,888 (31 December 2025: RMB17,884,190,166), primarily consisting of accounts payable to related parties, deposits and guarantees deposits received by the Company. Given that the parties to the transactions continued to conduct business, these amounts remained outstanding,

9. Long-term borrowings

	30 June 2026	31 December 2025
	(unaudited)	
Credit loans	6,128,495,041	10,122,073,810
Less: Long-term borrowings due within one year	5,946,118,332	9,904,134,629
Total	**182,376,709**	**217,939,181**

As at 30 June 2026, the annual interest rates on the above long-term borrowings of the Company ranged from 1.08% to 2.60% (31 December 2025: 1.08% to 2.70%).

10. Revenue from operations and cost of operations

(1) Revenue from operations and cost of operations

	For the six months ended 30 June 2026		For the six months ended 30 June 2025	
	Revenue	Costs	Revenue	Costs
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Principal operations	21,760,028,129	20,756,326,760	15,409,199,114	14,416,232,403
Other operations	247,891,169	181,814,780	200,170,843	210,710,979
Total	**22,007,919,298**	**20,938,141,540**	**15,609,369,957**	**14,626,943,382**

(2) Breakdown of operating revenue

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(unaudited)	(unaudited)
Major geographical regions		
Chinese Mainland (excluding Hong Kong, Macau and Taiwan)	17,609,597,478	14,327,355,091
Other countries and regions	4,398,321,820	1,282,014,866
Total	**22,007,919,298**	**15,609,369,957**
Major type of goods		
Engineering construction	21,760,028,129	15,409,199,114
Others	247,891,169	200,170,843
Total	**22,007,919,298**	**15,609,369,957**
Timing of transfer of goods		
Transferred at a point in time	1,737,055	678,576
Transferred over time	22,006,182,243	15,608,691,381
Total	**22,007,919,298**	**15,609,369,957**

(3) Breakdown of operating costs

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(unaudited)	(unaudited)
Major geographical regions		
Chinese Mainland (excluding Hong Kong, Macau and Taiwan)	16,608,799,089	13,351,751,930
Other countries and regions	4,329,342,451	1,275,191,452
Total	**20,938,141,540**	**14,626,943,382**
Major type of goods		
Engineering construction	20,756,326,760	14,416,232,403
Others	181,814,780	210,710,979
Total	**20,938,141,540**	**14,626,943,382**
Timing of transfer of goods		
Transferred at a point in time	532,401	54,412
Transferred over time	20,937,609,139	14,626,888,970
Total	**20,938,141,540**	**14,626,943,382**

(4) Performance obligations

Revenue recognised from:

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(unaudited)	(unaudited)
Opening carrying amount of contract liabilities	1,969,058,998	2,175,247,136

11. Finance costs

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(unaudited)	(unaudited)
Interest expense	1,200,863,215	1,079,272,332
Less: Interest income	539,483,239	573,959,027
Foreign exchange gains and losses	143,486,252	17,996,078
Others	11,579,990	3,347,103
Total	**816,446,218**	**526,656,486**

The breakdown of interest income is as follows:

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(unaudited)	(unaudited)
Interest income arising from interbank lending	443,478,284	519,071,876
Interest income on deposits and others	96,004,955	54,887,151
Total	**539,483,239**	**573,959,027**

12. Investment income

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	(unaudited)	(unaudited)
Income from investment in subsidiaries	149,666,333	254,387,210
Dividend income from investment in other equity instruments held during the holding period	203,703,905	402,179,476
Income from long-term equity investments accounted for using the equity method	41,270,259	81,477,570
Investment income from disposal of long-term equity investments	1,662,970	–
Losses on derecognition of financial assets measured at amortised cost	(19,000,000)	–
Total	**377,303,467**	**738,044,256**

* *For identification purposes only*

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To the shareholders of China Communications Construction Company Limited

(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of China Communications Construction Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 122 to 255, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as issued by the International Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Hong Kong Institute of Certified Public Accountants' *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Recognition of revenue from construction services The Group derives most of its revenue from construction services and accounts for such revenue by measuring progress towards the completion of the performance obligations ("measuring progress"). The measuring progress method involves the use of significant judgements and estimates, including estimates of total contract revenue and total contract cost. The management of the Group will continue to reappraise items such as total contract revenue, total cost according to the scope of deliveries and services required, and the remaining cost to completion. In addition, revenue and cost realised on such contracts can vary (sometimes significantly) from the Group's original estimates because of changes in conditions. The accounting policies and disclosures for the recognition of revenue from construction services are included in notes 2.4, 3, and 5 to the financial statements.	We evaluated and tested the Group's internal controls over the process to recognise revenue, including the records of expected contract costs and contract revenue, and revenue recognised based on the measurement of the progress towards satisfaction of the performance obligations. We selected material construction contracts to review key contract terms and checked the expected total contract revenue and contract costs. We examined the contract costs incurred on a sample basis by tracing them to related documents. We performed cut-off testing procedures to check if the costs had been recognised in the appropriate accounting period. We re-calculated the proportion of the actual costs incurred relative to the estimated total cost and the revenue recognised under the measuring progress method. In addition, we performed analytical procedures on the gross margins of material construction contracts of the Group. We assessed the adequacy of the disclosures of revenue recognition from construction services.
Impairment of contract assets, trade receivables and long-term receivables The impairment of contract assets, trade receivables and long-term receivables was recognised based on the allowance for expected credit loss ("ECL"). The management of the Group determines the ECLs for contract assets, trade receivables and long-term receivables based on historical information of the settlement of contract assets and the collection of trade receivables and long-term receivables, customers' creditworthiness, and forward-looking economic conditions, involving the use of significant judgements and estimates. The accounting policies and disclosures for the impairment of contract assets, trade receivables and long-term receivables are included in notes 2.4, 3 , 24 and 25 to the financial statements.	We evaluated and tested the Group's internal controls over the process of recognising the allowance for ECLs of contract assets, trade receivables and long-term receivables. We reviewed the management's analysis of historical information of the settlement of contract assets and the collection of trade receivables and long-term receivables. We tested the accuracy of the ageing of trade receivables and long-term receivables balances by tracing details to related documents on a sample basis. We evaluated the management's credit risk assessment of contract assets, trade receivables and long-term receivables. We assessed the adequacy of the disclosures of the impairment of contract assets, trade receivables and long-term receivables.
Impairment assessment of concession assets For concession assets with indications of impairment, the management of the Group performed impairment tests to revalue the recoverable amounts of such concession assets. The recoverable amounts of such assets are determined using the discounted cash flow method which requires the Group to make assumptions, including future expectations for the traffic volume, necessary maintenance and operating costs incurred for the concession assets, and discount rates. The assessment of recoverable amounts performed by the management of the Group with the assistance of management specialists involves significant judgements and estimation. The accounting policies and disclosures for the impairment assessment of concession assets are included in notes 2.4, 3 and 17 to the financial statements.	We evaluated and tested the Group's internal controls over the process of impairment assessment on concession assets. We evaluated the competence, capabilities and objectivity of management's specialists employed by the Group. We obtained an understanding of the work of management's specialists and evaluated the appropriateness of the models and assumptions used by the management specialists. We involved internal valuation specialists to assist us in evaluating the models and the inputs used, such as the discount rates. We reviewed the basis and assumptions used in the cash flow forecasts, including the forecasted traffic volume, the operational performance of these concession assets and the development plan for the relevant areas in which these concession assets operated. We also compared the prior year's forecast with the Group's actual performance in 2025. We also evaluated the reasonableness of the discount rates. We assessed the adequacy of the disclosures of impairment assessment of concession assets.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

The engagement partner on the audit resulting in this independent auditor's report is Wong Man Kit (practising certificate number: P04453).

Ernst & Young
Certified Public Accountants

Hong Kong
30 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 RMB million	2024 RMB million
Revenue	4, 5	**726,636**	768,243
Cost of sales		**(646,078)**	(675,640)
Gross profit		**80,558**	92,603
Other income	5	**7,212**	6,239
Other losses, net	5	**(620)**	(1,084)
Selling and marketing expenses		**(3,299)**	(3,091)
Administrative expenses		**(42,551)**	(45,239)
Impairment losses on financial and contract assets, net		**(7,859)**	(7,041)
Other expenses		**(4,316)**	(3,080)
Operating profit		**29,125**	39,307
Finance income	7	**22,845**	24,241
Finance costs, net	8	**(22,630)**	(24,038)
Share of profits and losses of:			
– Joint ventures		**(1,729)**	(1,884)
– Associates		**(13)**	(463)
Profit before tax	6	**27,598**	37,163
Income tax expense	11	**(6,540)**	(6,344)
Profit for the year		**21,058**	30,819
Attributable to:			
– Owners of the parent		**14,995**	23,854
– Non-controlling interests		**6,063**	6,965
		21,058	30,819
Earnings per share attributable to ordinary equity holders of the parent	13		
Basic		**RMB0.86**	RMB1.40
Diluted		**RMB0.86**	RMB1.40

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 *RMB million*	2024 *RMB million*
Profit for the year	**21,058**	30,819
Other comprehensive income/(losses)		
Other comprehensive income/(losses) that will not be reclassified to profit or loss in subsequent periods, net of tax:		
Actuarial losses on retirement benefit obligations, net of tax	**(13)**	(40)
Share of other comprehensive losses of joint ventures and associates	**(8)**	(9)
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	**832**	5,306
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**811**	5,257
Other comprehensive income/(losses) that may be reclassified to profit or loss in subsequent periods, net of tax:		
Cash flow hedges, net of tax	**(22)**	33
Share of other comprehensive income/(losses) of joint ventures and associates	**10**	(274)
Exchange differences on translation of foreign operations	**(340)**	(913)
Net other comprehensive losses that may be reclassified to profit or loss in subsequent periods	**(352)**	(1,154)
Other comprehensive income for the year, net of tax	**459**	4,103
Total comprehensive income for the year	**21,517**	34,922
Attributable to:		
– Owners of the parent	**15,446**	27,975
– Non-controlling interests	**6,071**	6,947
	21,517	34,922

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	31 December 2025 RMB million	31 December 2024 RMB million
Non-current assets			
Property, plant and equipment	14	**80,593**	80,029
Investment properties	15	**9,734**	8,242
Right-of-use assets	16(a)	**21,350**	21,697
Intangible assets	17	**228,135**	197,233
Investments in joint ventures	18	**54,565**	59,978
Investments in associates	19	**54,771**	54,394
Financial assets at fair value through profit or loss	20	**27,102**	27,434
Derivative financial instruments	26	**276**	377
Debt investments at amortised cost		**541**	402
Equity investments designated at fair value through other comprehensive income	21	**26,951**	27,180
Contract assets	24	**342,226**	307,506
Trade and other receivables	25	**290,123**	273,340
Deferred tax assets	31	**12,824**	11,535
Total non-current assets		**1,149,191**	1,069,347
Current assets			
Inventories	23	**114,705**	102,134
Contract assets	24	**243,493**	206,240
Trade and other receivables	25	**360,041**	336,611
Financial assets at fair value through profit or loss	20	**633**	497
Debt investments at amortised cost		**–**	920
Derivative financial instruments	26	**13**	42
Restricted bank deposits and time deposits with an initial term of over three months	27	**11,226**	7,507
Cash and cash equivalents	27	**139,830**	134,974
Total current assets		**869,941**	788,925
Current liabilities			
Trade and other payables	28	**663,461**	635,310
Contract liabilities	29	**102,566**	85,270
Derivative financial instruments	26	**34**	–
Tax payable		**6,242**	7,307
Interest-bearing bank and other borrowings	30	**200,280**	140,826
Retirement benefit obligations	32	**88**	95
Total current liabilities		**972,671**	868,808
Net current liabilities		**(102,730)**	(79,883)
Total assets less current liabilities		**1,046,461**	989,464

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	31 December 2025 RMB million	31 December 2024 RMB million
Total assets less current liabilities		**1,046,461**	989,464
Non-current liabilities			
Trade and other payables	*28*	**76,605**	62,974
Interest-bearing bank and other borrowings	*30*	**487,202**	445,497
Deferred income		**1,723**	1,493
Deferred tax liabilities	*31*	**8,068**	7,549
Retirement benefit obligations	*32*	**744**	844
Provision	*33*	**4,232**	3,292
Total non-current liabilities		**578,574**	521,649
Net assets		**467,887**	467,815
Equity			
Equity attributable to owners of the parent			
Share capital	*34*	**16,275**	16,279
Share premium		**20,092**	20,109
Treasury shares		**(667)**	(597)
Financial instruments classified as equity	*36*	**22,200**	31,000
Reserves	*37*	**253,026**	246,634
		310,926	313,425
Non-controlling interests		**156,961**	154,390
Total equity		**467,887**	467,815

Song Hailiang
Director

Zhang Bingnan
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Notes	Attributable to owners of the parent								
		Share capital RMB million	Treasury shares RMB million	Share premium RMB million	Financial instruments classified as equity [1] RMB million	Other reserves RMB million	Retained earnings RMB million	Total RMB million	Non-controlling interests [2] RMB million	Total equity RMB million
At 31 December 2024 and 1 January 2025		16,279	(597)	20,109	31,000	51,552*	195,082*	313,425	154,390	467,815
Profit for the year		-	-	-	-	-	14,995	14,995	6,063	21,058
Other comprehensive income/(losses) for the year:										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax		-	-	-	-	839	-	839	(7)	832
Cash flow hedges, net of tax		-	-	-	-	(22)	-	(22)	-	(22)
Share of other comprehensive income of joint ventures and associates		-	-	-	-	3	-	3	(1)	2
Actuarial losses on retirement benefit obligations, net of tax		-	-	-	-	(13)	-	(13)	-	(13)
Exchange differences on translation of foreign operations		-	-	-	-	(356)	-	(356)	16	(340)
Total comprehensive income for the year		-	-	-	-	451	14,995	15,446	6,071	21,517
Final 2024 and mid-term 2025 dividend declared	37	-	-	-	-	-	(4,544)	(4,544)	-	(4,544)
Interest distribution on perpetual securities [1][2]		-	-	-	-	-	(659)	(659)	(2,657)	(3,316)
Share-based payment	35	-	-	-	-	(148)	-	(148)	-	(148)
Forfeiture of restricted shares		(4)	21	(17)	-	-	-	-	-	-
Restricted shares repurchase obligation		-	166	-	-	-	-	166	-	166
Dividends to non-controlling shareholders		-	-	-	-	-	-	-	(3,114)	(3,114)
Share of other reserves of joint ventures and associates		-	-	-	-	57	-	57	-	57
Shares repurchased		-	(257)	-	-	-	-	(257)	(15,270)	(15,527)
Withdrawal of capital by non-controlling shareholders		-	-	-	-	-	-	-	(1,701)	(1,701)
Capital contribution from non-controlling shareholders		-	-	-	-	-	-	-	1,601	1,601
Acquisition of subsidiaries	41(a)	-	-	-	-	-	-	-	540	540
Disposal of subsidiaries	42	-	-	-	-	-	-	-	(1,231)	(1,231)
Issue of perpetual securities		-	-	-	15,500	(15)	-	15,485	51,368	66,853
Redemption of perpetual securities		-	-	-	(24,300)	-	-	(24,300)	(36,730)	(61,030)
Transaction with non-controlling interests		-	-	-	-	(3,745)	-	(3,745)	3,694	(51)
Transfer to statutory surplus reserve	37(a)	-	-	-	-	1,732	(1,732)	-	-	-
Transfer from general reserve	37(b)	-	-	-	-	(91)	91	-	-	-
Transfer to safety production reserve	37(c)	-	-	-	-	244	(244)	-	-	-
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income		-	-	-	-	(741)	741	-	-	-
At 31 December 2025		16,275	(667)	20,092	22,200	49,296*	203,730*	310,926	156,961	467,887

* As at 31 December 2025, these reserve accounts comprise the consolidated reserves of RMB253,026 million (2024: RMB246,634 million) in the consolidated statement of financial position.

(1) As of 31 December 2025, perpetual securities of RMB22,200 million (2024: RMB31,000 million) issued by the Company were classified as equity in the consolidated financial statements. During the year, interest distribution on these perpetual securities by the Company totalled RMB659 million.

(2) As of 31 December 2025, perpetual securities of RMB102,342 million (2024: RMB87,661 million) issued by subsidiaries of the Company were classified as non-controlling interests in the consolidated financial statements. During the year, interest distribution on these perpetual securities by the subsidiaries of the Company totalled RMB2,657 million.

Continued/⋯

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

		Attributable to owners of the parent								
	Notes	Share capital *RMB million*	Treasury shares *RMB million*	Share premium *RMB million*	Financial instruments classified as equity *RMB million*	Other reserves *RMB million*	Retained earnings *RMB million*	Total *RMB million*	Non-controlling interests *RMB million*	Total equity *RMB million*
At 31 December 2023		16,264	(522)	20,049	35,000	49,721	181,222	301,734	157,390	459,124
Business combination under common control		–	–	–	–	39	(6)	33	43	76
At 1 January 2024 (restated)		16,264	(522)	20,049	35,000	49,760	181,216	301,767	157,433	459,200
Profit for the year		–	–	–	–	–	23,854	23,854	6,965	30,819
Other comprehensive income/(losses) for the year:										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax		–	–	–	–	5,307	–	5,307	(1)	5,306
Cash flow hedges, net of tax		–	–	–	–	33	–	33	–	33
Share of other comprehensive income of joint ventures and associates		–	–	–	–	(283)	–	(283)	–	(283)
Actuarial losses on retirement benefit obligations, net of tax		–	–	–	–	(35)	–	(35)	(5)	(40)
Exchange differences on translation of foreign operations		–	–	–	–	(901)	–	(901)	(12)	(913)
Total comprehensive income for the year		–	–	–	–	4,121	23,854	27,975	6,947	34,922
Final 2023 and Mid-term 2024 dividend declared	*37*	–	–	–	–	–	(7,042)	(7,042)	–	(7,042)
Interest distribution on perpetual securities		–	–	–	–	–	(1,570)	(1,570)	(2,673)	(4,243)
Share-based payment	*35*	–	–	–	–	240	–	240	–	240
Grant of restricted shares		16	–	67	–	–	–	83	–	83
Forfeiture of restricted shares		(1)	8	(7)	–	–	–	–	–	–
Restricted shares repurchase obligation		–	(83)	–	–	–	–	(83)	–	(83)
Dividends to non-controlling shareholders		–	–	–	–	–	–	–	(3,065)	(3,065)
Share of other reserves of joint ventures and associates		–	–	–	–	28	–	28	–	28
Shares repurchased		–	–	–	–	–	–	–	(12,065)	(12,065)
Withdrawal of capital by non-controlling shareholders		–	–	–	–	–	–	–	(2,984)	(2,984)
Capital contribution from non-controlling shareholders		–	–	–	–	–	–	–	5,286	5,286
Business combination under common control		–	–	–	–	(66)	–	(66)	35	(31)
Acquisition of subsidiaries		–	–	–	–	–	–	–	457	457
Acquisition of assets		–	–	–	–	–	–	–	13	13
Disposal of subsidiaries		–	–	–	–	–	–	–	(614)	(614)
Issue of perpetual securities		–	–	–	3,000	(1)	–	2,999	28,196	31,195
Redemption of perpetual securities		–	–	–	(5,900)	–	–	(5,900)	(26,197)	(32,097)
Transaction with non-controlling interests		–	–	–	–	(3,906)	–	(3,906)	3,530	(376)
Transfer to statutory surplus reserve	*37(a)*	–	–	–	–	1,420	(1,420)	–	–	–
Transfer to general reserve	*37(b)*	–	–	–	–	550	(550)	–	–	–
Transfer to safety production reserve	*37(c)*	–	–	–	–	470	(470)	–	–	–
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income		–	–	–	–	(1,064)	1,064	–	–	–
Other		–	–	–	(1,100)	–	–	(1,100)	91	(1,009)
At 31 December 2024		16,279	(597)	20,109	31,000	51,552*	195,082*	313,425	154,390	467,815

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB million	2024 RMB million
Cash flows from operating activities			
Profit before tax		**27,598**	37,163
Adjustments for:			
– Depreciation of property, plant and equipment and investment properties	6	**9,127**	8,224
– Depreciation of right-of-use assets	6	**1,912**	1,767
– Amortisation of intangible assets	6	**3,867**	3,408
– Gains on disposal of items of property, plant and equipment, intangible assets and other long-term assets	5	**(219)**	(307)
– Gains on disposal of joint ventures and associates	5	**(1,029)**	(273)
– Fair value losses on financial assets at fair value through profit or loss	5	**905**	1,084
– Fair value losses/(gains) on derivative financial instruments	5	**94**	(7)
– (Gains)/losses on disposal of financial assets at fair value through profit or loss	5	**(550)**	10
– Gains on disposal of subsidiaries	5	**(1,253)**	(2,219)
– Dividend income from financial assets at fair value through profit or loss	5	**(363)**	(337)
– Dividend income from equity investments designated at fair value through other comprehensive income	5	**(1,028)**	(1,073)
– Other income from investing activities		**(89)**	(168)
– Share of losses of joint ventures and associates, net	18,19	**1,742**	2,347
– Write-down of inventories to net realisable value	6	**1,087**	790
– Provision for impairment of contract assets	6	**667**	909
– Provision for impairment of trade and other receivables	6	**7,192**	6,132
– Provision for impairment of property, plant and equipment	14	**432**	30
– Provision for impairment of goodwill		**1**	–
– Interest income	7	**(22,845)**	(24,241)
– Interest expenses	8	**20,673**	22,002
– Equity-settled share-based payment		**(148)**	240
– Net foreign exchange losses/(gains) on borrowings	8	**62**	(85)
		47,835	55,396
Increase in inventories		**(11,632)**	(9,115)
Increase in trade and other receivables		**(42,895)**	(74,304)
Increase in contract assets		**(52,794)**	(66,214)
(Increase)/decrease in restricted bank deposits		**(4,215)**	413
Increase in trade and other payables		**46,603**	81,566
Increase in contract liabilities		**17,610**	11,464
Decrease in retirement benefit obligations		**(107)**	(70)
Increase in provision		**940**	89
Increase/(decrease) in deferred income		**230**	(140)
Cash from/(used in) operations		**1,575**	(915)
Interest income from operating activities		**22,118**	23,102
Income tax paid		**(8,360)**	(9,681)
Net cash flows from operating activities		**15,333**	12,506

Continued/⋯

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB million	2024 RMB million
Net cash flows from operating activities		**15,333**	12,506
Cash flows from investing activities			
Purchases of items of property, plant and equipment		**(13,419)**	(13,295)
Purchases of investment properties		**–**	(1)
Additions to right-of-use assets		**(440)**	(671)
Purchases of intangible assets		**(22,988)**	(13,301)
Proceeds from disposal of items of property, plant and equipment		**816**	1,244
Proceeds from disposal of right-of-use assets		**553**	44
Proceeds from disposal of investment properties		**–**	180
Proceeds from disposal of intangible assets		**80**	90
Business combination	*41(a)*	**(3,217)**	(1,007)
Asset acquisition	*41(b)*	**(2,066)**	(841)
Investments in associates		**(2,624)**	(2,980)
Investments in joint ventures		**(5,623)**	(5,394)
Disposal of subsidiaries	*42*	**6,157**	5,559
Other changes in scope of consolidation		**–**	(7)
Disposal of joint ventures and associates		**5,659**	1,892
Purchases of equity investments designated at fair value through other comprehensive income		**(398)**	(491)
Purchases of financial assets at fair value through profit or loss		**(10,728)**	(15,983)
Proceeds from disposal of equity investments designated at fair value through other comprehensive income		**1,620**	1,481
Proceeds from disposal of financial assets at fair value through profit or loss		**9,712**	13,818
Purchases of debt instruments		**(202)**	(205)
Loans to joint ventures, associates and third parties		**(11,294)**	(14,616)
Repayment of loans from joint ventures, associates and third parties		**6,233**	6,854
Interest received		**174**	372
Changes in time deposits with an initial term of over three months		**495**	2,810
Cash consideration from operation of concession assets		**3,627**	2,122
Dividends received		**2,376**	2,585
Proceeds from other investment activities		**986**	122
Net cash flows used in investing activities		**(34,511)**	(29,619)
Cash flows from financing activities			
Capital contribution from non-controlling shareholders		**1,601**	5,286
Withdrawal of capital contribution by non-controlling interests		**(16,971)**	(15,049)
Dividends paid to non-controlling shareholders		**(3,068)**	(734)
Dividends paid to equity holders of the parent		**(4,938)**	(7,042)
Proceeds from issue of perpetual securities		**66,853**	31,195
Interest paid for perpetual securities		**(3,735)**	(4,418)
Redemption of perpetual securities		**(61,030)**	(32,097)
Proceeds from bank and other borrowings		**388,777**	464,758
Repayments of bank and other borrowings		**(318,936)**	(375,628)
Interest paid for bank and other borrowings		**(22,288)**	(22,982)
Transaction with non-controlling interests		**(87)**	(86)
Stock repurchase		**(257)**	(8)
Cash paid for business combination under common control		**–**	(31)
Increase in an amount due to the ultimate holding company		**–**	83
Principal portion of lease payments		**(1,847)**	(1,607)
Net cash flows from financing activities		**24,074**	41,640
Net increase in cash and cash equivalents		**4,896**	24,527
Cash and cash equivalents at beginning of year	*27*	**134,974**	110,407
Effect of foreign exchange rate changes, net		**(40)**	40
Cash and cash equivalents at end of year	*27*	**139,830**	134,974

1. CORPORATE AND GROUP INFORMATION

China Communications Construction Company Limited (the "Company") was established in the People's Republic of China (the "PRC") on 8 October 2006 as a joint stock company with limited liability under the Company Law of the PRC as part of the group reorganisation of China Communications Construction Group (Limited) ("CCCG"), the parent company and a state-owned enterprise established in the PRC. The H shares of the Company were listed on The Stock Exchange of Hong Kong Limited on 15 December 2006 and the A shares of the Company were listed on the Shanghai Stock Exchange on 9 March 2012. The address of the Company's registered office is 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC.

The Company and its subsidiaries (together, the "Group") are principally engaged in infrastructure construction, infrastructure design and dredging businesses.

In the opinion of the directors, the immediate and ultimate holding company of the Company is CCCG, which was established in the PRC.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Type of legal entity	Issued ordinary/ registered share capital *(in million)*	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Unlisted						
China Harbour Engineering Co., Ltd. ("CHEC")	PRC and other regions	Limited liability company	RMB6,000	50.10%	49.90%	Infrastructure construction
China Road and Bridge Corporation ("CRBC")	PRC and other regions	Limited liability company	RMB6,000	99.64%	0.36%	Infrastructure construction
CCCC First Harbour Engineering Co., Ltd.	PRC	Limited liability company	RMB7,295	91.20%	–	Infrastructure construction
CCCC Second Harbour Engineering Co., Ltd.	PRC	Limited liability company	RMB5,329	87.76%	–	Infrastructure construction
CCCC Third Harbour Engineering Co., Ltd.	PRC	Limited liability company	RMB6,021	92.87%	–	Infrastructure construction
CCCC Fourth Harbour Engineering Co., Ltd.	PRC	Limited liability company	RMB4,966	100.00%	–	Infrastructure construction
CCCC First Highway Engineering Group Co., Ltd.	PRC	Limited liability company	RMB7,659	81.54%	–	Infrastructure construction
CCCC Second Highway Engineering Co., Ltd.	PRC	Limited liability company	RMB3,942	88.63%	–	Infrastructure construction
Road & Bridge International Co., Ltd.	PRC	Limited liability company	RMB3,974	84.57%	–	Infrastructure construction
CCCC Third Highway Engineering Co., Ltd.	PRC	Limited liability company	RMB2,156	70.00%	–	Infrastructure construction
CCCC Construction Group Co., Ltd.	PRC	Limited liability company	RMB2,177	83.70%	–	Infrastructure construction
CCCC Water Transportation Consultants Co., Ltd.	PRC	Limited liability company	RMB818	100.00%	–	Infrastructure design
CCCC Highway Engineering Consultants Corporation	PRC	Limited liability company	RMB750	100.00%	–	Infrastructure design

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Name	Place of incorporation/ registration and business	Type of legal entity	Issued ordinary/ registered share capital *(in million)*	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
CCCC First Harbour Consultants Co., Ltd.	PRC	Limited liability company	RMB723	100.00%	–	Infrastructure design
CCCC Second Harbour Consultants Co., Ltd.	PRC	Limited liability company	RMB428	100.00%	–	Infrastructure design
CCCC Third Harbour Consultants Co., Ltd.	PRC	Limited liability company	RMB731	100.00%	–	Infrastructure design
CCCC Fourth Harbour Consultants Co., Ltd.	PRC	Limited liability company	RMB630	100.00%	–	Infrastructure design
CCCC Dredging (Group) Co., Ltd. ("CCCC Dredging")	PRC	Limited liability company	RMB11,775	99.90%	0.10%	Dredging
CCCC Investment Co., Ltd.	PRC	Limited liability company	RMB12,500	100.00%	–	Investment holding
CCCC Xi'an Road Construction Machinery Co., Ltd.	PRC	Limited liability company	RMB433	54.31%	45.69%	Manufacture of road construction machinery
China Highway Vehicle & Machinery Co., Ltd.	PRC	Limited liability company	RMB168	100.00%	–	Trading of motor vehicle spare parts
Chuwa Bussan Co., Ltd. ("Chuwa Bussan")	Japan	Limited liability company	JPY100	99.94%	–	Trading of machinery
CCCC Shanghai Equipment Engineering Co., Ltd.	PRC	Limited liability company	RMB10	55.00%	–	Maintenance and design of port machinery
CCCC Mechanical & Electrical Engineering Co., Ltd.	PRC	Limited liability company	RMB833	60.00%	40.00%	Infrastructure construction
China Communications Materials & Equipment Co., Ltd.	PRC	Limited liability company	RMB1,734	100.00%	–	Trading of construction materials and equipment
CCCC Finance	PRC	Limited liability company	RMB7,000	95.00%	–	Financial services
CCCC International Holding Limited ("CCCI")	Hong Kong	Limited liability company	HKD3,882	71.36%	28.64%	Investment holding
CCCC Capital Holdings Limited ("CCCC Capital")	PRC	Limited liability company	RMB10,000	100.00%	–	Fund management and financial leasing

Continued/…

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Name	Place of incorporation/ registration and business	Type of legal entity	Issued ordinary/ registered share capital *(in million)*	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
CCCC Urban Investment Holding Co., Ltd.	PRC	Limited liability company	RMB10,000	100.00%	–	Investment holding
CCCC Tianhe Machinery and Equipment Manufacturing Co., Ltd.	PRC	Limited liability company	RMB1,277	81.52%	11.74%	Machinery and equipment manufacturing
CCCC Changjiang Construction and Development Group Co., Ltd.	PRC	Limited liability company	RMB2,667	51.00%	23.98%	Infrastructure construction
CCCC South China Construction and Development Co., Ltd.	PRC	Limited liability company	RMB923	100.00%	–	Infrastructure construction
CCCC Design Consulting Group Co., Ltd.	PRC	Limited liability company	RMB2,295	48.41%	2.33%	Infrastructure design
Gansu Qilianshan Cement Group Co., Ltd.	PRC	Limited liability company	RMB1,200	85.00%	–	Cement sales
CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd.	PRC	Limited liability company	RMB4,904	45.00%	6.00%	Infrastructure construction
Forsea Holdings PTE. Ltd.	Singapore	Limited liability company	SGD0.30	100.00%	–	Infrastructure construction

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial assets and liabilities (including derivative financial instruments) which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest million except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Going concern

The Group had net current liabilities of RMB102,730 million as at 31 December 2025. Having considered the Group's cash flow projections for the year ending 31 December 2026, including the Group's cash position, cash flows from operating, investing and financing activities, and the unutilised bank facilities as at the date of this report, the directors of the Company are satisfied that the Group is able to meet its financial obligations in full as they fall due for the coming 12 months. Accordingly, these financial statements have been prepared on a going concern basis.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures

The Group has adopted amendments to IAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

2.3 Issued but not yet effective IFRS Accounting Standards

The Group has not applied the following new and amended IFRS Accounting Standards, which have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[1]

[1] Effective for annual periods beginning on or after 1 January 2026
[2] Effective for annual/reporting periods beginning on or after 1 January 2027
[3] No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below:

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

2. ACCOUNTING POLICIES (CONTINUED)

2.3. Issued but not yet effective IFRS Accounting Standards (continued)

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, branches, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

2. ACCOUNTING POLICIES (CONTINUED)

2.3. Issued but not yet effective IFRS Accounting Standards (continued)

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 Material accounting policies

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Investments in associates and joint ventures (continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation are accounted for in accordance with the IFRS Accounting Standards applicable to the particular assets, liabilities, revenues and expenses.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method, except for those acquisitions which are considered as a business combination under common control in a manner similar to pooling-of-interest.

Merger accounting for common control combinations

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the ultimate controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the ultimate controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of the acquirer's interest in the net fair value of the acquiree identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the ultimate controlling party's interest.

The consolidated statement of profit or loss includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Business combinations and goodwill (continued)

Merger accounting for common control combinations (continued)

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the end of the prior reporting period or when they first came under common control, whichever is shorter.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders and costs incurred in combining operations of the previously separate businesses and incurred in relation to the common control combination that is to be accounted for by using merger accounting, are recognised as expenses in the year in which they are incurred.

Acquisition method of accounting for non-common control combinations

The Group applies the acquisition method to account for non-common control business combinations. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Business combinations and goodwill (continued)

Acquisition method of accounting for non-common control combinations (continued)

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its derivative financial instruments, equity investments and certain other financial assets at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Impairment of non-financial assets (continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

  (iii) the entity and the Group are joint ventures of the same third party;

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

  (vi) the entity is controlled or jointly controlled by a person identified in (a);

  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

  (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives used for this purpose are as follows:

– Buildings	20 to 40 years
– Machinery	5 to 20 years
– Vessels	10 to 25 years
– Vehicles	5 years
– Other equipment	2 to 5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment, investment properties and intangible assets when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated using the straight-line method to write off the cost less accumulated impairment loss of the asset over its estimated useful life.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Concession assets

The Group is engaged in certain service concession arrangements in which the Group carries out construction work (e.g., toll highways, bridges and ports) in exchange for a right for the Group to operate the asset concerned in accordance with pre-established conditions set by the granting authority. In accordance with IFRIC Interpretation 12 Service Concession Arrangements (IFRIC 12), the assets under the concession arrangements may be classified as intangible assets or financial assets. The assets are classified as intangibles if the operator receives a right (a licence) to charge users of the public service or as financial assets if the operator has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. The Group classifies the non-current assets linked to the long-term investment in these concession arrangements as "concession assets" within intangible assets on the statement of financial position if the intangible asset model is adopted. Such concession assets represent the consideration received for its construction service rendered. Once the underlying infrastructure of the concession arrangements is completed, the concession assets are amortised over the term of the concession using the traffic flow method or straight-line method under the intangible asset model.

Trademarks, patents, proprietary technologies and copyrights

Separately acquired trademarks, patents, proprietary technologies and copyrights are shown at historical cost. Trademarks, patents, proprietary technologies and copyrights acquired in a business combination are recognised at fair value at the acquisition date. Trademarks, patents, proprietary technologies and copyrights have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives.

Computer software

Computer software is measured on initial recognition cost and amortised over the estimated useful life of 1 to 10 years.

Research and development costs

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products, commencing from the date when the products are put into commercial production.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	20 years to indefinite
Buildings	1 to 10 years
Vessels	1 to 25 years
Vehicles	2 to 3 years
Machinery	1 to 5 years
Other equipment	1 to 3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When the right-of-use assets relate to interests in leasehold land held as inventories, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for "inventories". When a right-of-use asset meets the definition of investment property, it is included in investment properties.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing bank and other borrowings.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Leases (continued)

Group as a lessee (continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for leases of low-value assets to leases of value below RMB50,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Sale and leaseback transactions with variable lease payments that do not depend on an index or a rate where the Group acts as a seller-lessee. For sale and leaseback transactions with variable lease payments that do not depend on an index or a rate, lease liabilities are recognised at the commencement date of the leasebacks at the present value of expected lease payments to be made over the lease term. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the expected lease payments. Any differences between the payments made for the lease and the lease payments that reduce the carrying amount of lease liabilities are recognised in profit or loss.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, are accounted for as finance leases.

At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs) and presented as a receivable at an amount equal to the net investment in the lease. The finance income of such leases is recognised in the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Investments and other financial assets (continued)

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

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Impairment of financial assets (continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group consider that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, derivative financial instruments and interest-bearing bank and other borrowings.

The Group classifies financial liabilities that arise from a supplier finance arrangement within trade and bills payables in the statement of financial position if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in trade and bills payables in the statement of financial position are included in operating activities in the statement of cash flows. Otherwise, the financial liabilities are classified in interest-bearing bank and other borrowings in the statement of financial position and the related cash flows are included in financing activities in the statement of cash flows.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, total return swaps, forward equity contracts and foreign exchange option. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Derivative financial instruments and hedge accounting (continued)

Initial recognition and subsequent measurement (continued)

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument.
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

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

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the statement of profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the statement of profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the statement of profit or loss as a reclassification adjustment. After the discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

Financial instruments classified as equity

Financial instruments issued by the Group are classified as equity instruments when all the following conditions have been met:

- The financial instruments have no contractual obligation to pay cash or other financial assets to others, nor to exchange financial assets or liabilities with others under potential unfavourable circumstances;
- The financial instruments will or may be settled in the Group's own equity instruments: if the financial instrument is non-derivative, it should not have the contractual obligation to be settled by the Group delivering a variable number of its own equity instruments; if the financial instrument is derivative, it should solely be settled by the Group delivering a fixed number of its own equity instruments in exchange for a fixed amount of cash or other financial assets.

Financial instruments classified as equity instruments are recognised initially at fair value, net of transaction costs incurred.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories comprise raw materials, work in progress, properties under development, completed properties held for sale and finished goods. Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour, other direct costs and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Development cost of properties comprises cost of land use rights, construction costs and borrowing costs eligible for capitalisation incurred during the construction period. Upon completion, the properties are transferred to completed properties held for sale. Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion. Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties in relation to the provision of construction services during the warranty period. Provision for these assurance-type warranties granted by the Group is initially recognised based on the best estimates of the Group, discounted to their present values as appropriate.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognised for the Pillar Two income taxes.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Income tax (continued)

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Construction services

Revenue from the provision of infrastructure construction services is recognised over time, using an input method to measure progress toward satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

Claims to customers are amounts that the Group seeks to collect from the customers as reimbursement of costs and margins for scope of works not included in the original construction contract. Claims are accounted for as variable consideration and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group uses the most likely amount or the expected value method to estimate the amounts of claims, whichever more appropriate, to best predict the amount of variable consideration to which the Group will be entitled.

(b) Provision of design and other services

Revenue from the provision of infrastructure design and other services is recognised over time, using an input method to measure progress toward satisfaction of the service, because the Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

(c) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

(d) Significant financing component

For contracts that include a significant financing component, the Group adjusts the promised amount of consideration for the effects of a significant financing component and recognise revenue as the "cash selling price" of the underlying goods or services at the time of transfer. The "cash selling price" is generated by discounting the promised amount of consideration using the effective interest rate. The Group selects to use the practical expedient that it will not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(e) Warranties

As required by law or agreed in the contract terms, the Group provides assurance-type warranties that promise the customers that the assets created in the construction services are as specified in the construction contracts. The Group recognises such assurance-type warranties as provisions. For the warranties that include services to customers in addition to assurance that the assets created are as specified in the contracts, the Group identifies such service-type warranties as separate performance obligations and allocates the transaction prices between the construction services and service-type warranties using the proportion of their stand-alone selling prices. The Group recognises the revenue of service-type warranties when customers obtain control of the services. In assessing whether a warranty includes a service to the customer in addition to the assurance that the asset created in the construction services complies with the agreed specifications, the Group considers factors including whether the warranty is required by law, the length of the warranty coverage period, and the nature of the tasks that the entity promises to perform.

(f) Principal versus agent

The Group determines whether it is a principal or an agent in the transactions by evaluating whether it controls each specified good or service before that good or service is transferred to the customer. The Group is a principal and recognises revenue in the gross amount of consideration received or receivable if it controls the specified good or service before that good or service is transferred to a customer. Otherwise, the Group is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party, or is determined by certain agreed amounts or proportions.

(g) Contract modifications

When the construction contract between the Group and the customers is modified:

(i) if the creation of new construction service and contract price are separately identified, and the new contract price reflects the separate selling price of the new construction service, the Group will treat the contract modification as a separate contract for accounting;

(ii) if the contract modification does not belong to the above situation (i), and there is a clear distinction between transferred construction services and non-transferred construction services at the date of contract modification, the Group will regard it as the termination of the original contract. Meanwhile, the unperformed part of the original contract and the part of contract modification will be merged into a new contract for accounting;

(iii) if the contract does not belong to the above situation (i), and there is no clear distinction between transferred construction services and non-transferred construction services at the date of contract modification, the Group will treat the part of modification as the component of original contract for accounting. The effect that the contract modification has on the transaction price is recognised as an adjustment to revenue at the date of the contract modification.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Offsetting of contract assets and contract liabilities

Contract assets and contract liabilities are offset and the net amount is reported in the statement of financial position if they belong to the same contract.

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset related. Other contract costs are expensed as incurred.

Share-based payments

The Company operates a share scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by the quoted price on the grant date in the active market, further details of which are given in note 35 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Share-based payments (continued)

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding scheme is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

(a) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the terms of the related pension obligations.

Past-service costs are recognised immediately in the consolidated statement of profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the consolidated statement of profit or loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

For defined contribution plans, the full-time employees of the Group in the PRC excluding Hong Kong and Macau ("Chinese mainland") are covered by government-sponsored or privately administered pension plans under which the employees are entitled to a monthly pension based on certain formula. The Group pays contributions to these pension plans monthly, on a mandatory or contractual basis. The Group has no further payment obligations once the contributions have been made. The contributions are recognised as employee benefit expense as incurred.

In addition, the Group participates in various defined contribution retirement schemes for its qualified employees in certain countries or jurisdictions outside Chinese mainland. Employees' and employers' contributions are calculated based on various percentages of employees' gross salaries of fixed sums and length of service.

(b) Other post-employment obligations

The Group provides post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Other employee benefits (continued)

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(d) Housing funds

All full-time employees of the Group in Chinese mainland are entitled to participate in various government sponsored housing funds. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees. The Group's liability in respect of these funds is limited to the contributions payable in each period.

(e) Bonus entitlements

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

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

Measurement of progress toward complete satisfaction of construction services

The Group uses input method to measure the progress toward satisfaction of the performance obligations, and specifically, the proportion of actual construction costs incurred relative to the estimated total costs. Actual construction costs incurred include direct and indirect costs in the process of transferring goods from the Group to customers. The Group believes that contract price is based on construction costs. Therefore, the proportion of actual construction costs incurred relative to the total expected costs can reflect the progress toward satisfaction of construction service. Since the duration of construction is relatively long that it may cover more than one accounting period, the Group will review and revise the budget as the contract carries forward, and adjust revenue accordingly.

Business model

The classification of financial assets upon initial recognition depends on the business model of the Group for managing financial assets. In judging the business model, the Group considers the way of internal evaluating and reporting to key management personnel the performance of financial assets, the risks affecting the performance of financial assets and the way those risks are managed, as well as the way in which relevant business management personnel are compensated. In determining whether cash flows are going to be realised by collecting the financial assets' contractual cash flows, the Group needs to consider the frequency, value and timing of sales before the maturity dates if any.

Contractual cash flow characteristics

The classification of financial assets upon initial recognition depends on the contractual cash flow characteristics of financial assets. It is necessary to judge whether the contractual terms only give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, whether there are significant differences compared with the benchmark cash flow when evaluating the correction of the time value of money, and whether the fair value of the prepayment feature is insignificant for financial assets that include prepayment feature, etc.

Determination of control over structured entities

The Group invested in several structured entities which were mainly engaged in infrastructure investment activities. Based on the assessment following the basis of consolidation and accounting policies set out in notes 2.1, the Group has consolidated certain structured entities that it has control. For the investments that the Group has joint control on, they are accounted for as joint ventures in accordance with IAS 28 *Investments in Associates and Joint Ventures*. Equities held indirectly through venture capital organisations, or mutual funds, unit trusts and similar entities including investment-linked insurance funds are accounted for as financial assets at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments*. Judgement is involved when performing the assessment. Should those joint ventures and financial assets through profit or loss be consolidated, net assets, revenue and profit of the Group could be affected.

Management applies its judgement to determine whether the control indicators set out in note 2.1 indicate that the Group controls a structured entity.

The Group acts as manager to a number of structured entities and also carries interests in these entities. Determining whether the Group controls such a structured entity usually focuses on the assessment of the aggregate economic interests of the Group in the entity (comprising any carried interest and expected management fees) and the decision-making authority of the entity.

Further disclosure in respect of unconsolidated structured entities in which the Group has an interest has been set out in note 22.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (continued)

Financial instruments classified as equity

Certain financial instruments of the Group, such as preference shares, are classified as equity, as the following conditions have been met:

(i) The financial instruments have no contractual obligation to pay cash or other financial assets to others, nor to exchange financial assets or liabilities with others under potential unfavourable circumstances; and

(ii) For the financial instruments that will or may be settled in the Group's own equity instruments: if the financial instrument is non-derivative, it should not have the contractual obligation to be settled by the Group delivering a variable number of its own equity instruments; if the financial instrument is derivative, it should solely be settled by the Group delivering a fixed number of its own equity instruments in exchange for a fixed amount of cash or other financial assets.

Further details are disclosed in notes 36.

Determining whether an arrangement contains a lease

The Group entered into general equipment lease arrangements in some construction projects. According to these lease arrangements, there is no identified asset, or the supplier has substantive substitution rights for the general equipment. Thus, these general equipment lease arrangements do not contain a lease, and the Group take them as service acceptance.

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not the option to renew or to terminate the lease (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for lease assets due to the significance of these assets to its operations. These leases have a short non-cancellable period and there will be a significant negative effect on operation if a replacement is not readily available.

Deferred tax assets

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

The Group has tax losses of RMB27,156 million (2024: RMB26,198 million) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB5,831 million. Further details on deferred taxes are disclosed in note 31 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment assessment on concession assets

The Group operates certain concession assets, and their impairment is reviewed whenever events or changes in circumstances indicate that the carrying amounts of the concession assets may not be recoverable in accordance with the accounting policy stated in note 2.4.

The recoverable amounts of the concession assets have been determined based on a value-in-use method. The value-in-use calculations require the use of estimates on discount rates and projections of cash flows from the traffic volume and other income, deducting the necessary maintenance and operating costs incurred for the concession assets.

Based on management's best estimates, as at 31 December 2025, the Group recognised an accumulated impairment of RMB299 million (2024: RMB299 million) to profit or loss for concession assets. Further details are disclosed in note 17.

Fair value of financial instruments

The fair values of listed financial instruments are based on quoted market prices, while the fair values of unlisted financial instruments have been estimated by the most appropriate valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Further details are included in note 47 to the financial statements.

Impairment of goodwill

The Group tests the goodwill for impairment at least annually. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, an impairment loss may arise.

Based on management's best estimates, as at 31 December 2025, the Group recognised an accumulated impairment of RMB297 million (2024: RMB296 million) to profit or loss for goodwill. Details of the impairment test for goodwill are disclosed in note 17.

Provision for ECLs on contract assets, trade receivables and long-term receivables

The Group uses a provision matrix to calculate ECLs of the Group's contract assets, trade receivables and long-term receivables. The provision rates are based on the ageing or the days past due for groupings of various customer segments that have similar loss patterns (i.e., by product or service type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's contract assets, trade receivables and long-term receivables is disclosed in note 24 and note 25 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Infrastructure construction and design services

The recognition of revenue and cost of infrastructure construction and design services requires the management of the Group to make judgements and estimations. For onerous contracts, the present obligation under the contract must be recognised in the current period and measured as provisions, based on the estimated budgets and losses of the construction services. Because of the nature of the activity undertaken in construction, design and dredging businesses, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting periods. The Group reviews and revises the estimates of both contract revenue and contract costs in each contract budget as the contract progresses.

The Group also monitors the payment progress from customers against the contract terms, and periodically evaluates the creditworthiness of the customers. If circumstances arise that a customer would default on all or part of its payments or otherwise fail to fulfil its performance obligations under the contract terms, the Group will reassess the outcome of the relevant contract and may revise the relevant estimates. The revision will be reflected in the consolidated statement of profit or loss in the period in which the circumstances that give rise to the revision become known by the Group.

Income taxes

The Group is subject to income taxes in the PRC and other jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made.

Pension benefits

The present value of the defined benefit pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The Group determines the appropriate discount rate at the end of each year. In determining the appropriate discount rate, the Group considers the interest rates of government bonds that are denominated in the currencies in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. The key assumptions for pension obligations and sensitivity analysis of the discount rate are disclosed in note 32.

Depreciation of property, plant and equipment

Depreciation on the Group's property, plant and equipment is calculated using the straight-line method to allocate cost up to residual values over the estimated useful lives of the assets. Management reviews the useful lives and residual values periodically to ensure that the method and rates of depreciation are consistent with the expected pattern of realisation of economic benefits from property, plant and equipment. The accounting estimate of the useful lives of property, plant and equipment is based on historical experience, taking into account anticipated technological changes. When the useful lives differ from the original estimated useful lives, management will adjust the estimated useful lives accordingly. It is possible that actual outcomes in the next financial period are different from estimates made based on historical experience, and it could cause a material adjustment to the depreciation and carrying amount of the Group's property, plant and equipment. Further details are disclosed in note 14.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4. OPERATING SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the President Office that are used to allocate resources to the operating segments and assess their performance.

The President Office considers the business from the service and product perspectives. Management assesses the performance of the following four operating segments:

(a) infrastructure construction of ports, roads, bridges and railways, municipal and environmental engineering and others (the "Construction")

(b) infrastructure design of ports, roads, bridges, railways and others (the "Design")

(c) dredging (the "Dredging")

(d) others

The President Office assesses the performance of the operating segments based on operating profit excluding unallocated income or costs. Other information provided to the President Office is measured in a manner consistent with that in the consolidated financial statements.

Sales between operating segments are carried out on terms with reference to the selling prices used for sales made to third parties. The revenue from external parties reported to the President Office is measured in a manner consistent with that in the consolidated statement of profit or loss.

Operating expenses of a functional unit are allocated to the relevant operating segment which is the predominant user of the services provided by the unit. Operating expenses of shared services which cannot be allocated to a specific operating segment and corporate expenses are included as unallocated costs.

Segment assets consist primarily of property, plant and equipment, investment properties, right-of-use assets, intangible assets, inventories, receivables, contract assets, equity investments designated at fair value through other comprehensive income, debt investments at amortised cost, financial assets at fair value through profit or loss, derivative financial instruments, and cash and cash equivalents. They exclude deferred tax assets, investments in joint ventures and associates, the assets of the headquarters of the Company and the assets of CCCC Finance, a subsidiary of the Company.

Segment liabilities comprise primarily payables, derivative financial instruments, and contract liabilities. They exclude deferred tax liabilities, tax payable, borrowings, the liabilities of the headquarters of the Company and the liabilities of CCCC Finance.

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Capital expenditure comprises mainly additions to property, plant and equipment (note 14), investment properties (note 15), right-of-use assets (note 16(a)) and intangible assets (note 17).

The segment results for the year ended 31 December 2025 and other segment information included in the consolidated financial statements are as follows:

	Year ended 31 December 2025					
	Construction *RMB million*	Design *RMB million*	Dredging *RMB million*	Others *RMB million*	Eliminations *RMB million*	Total *RMB million*
Total gross segment revenue	650,150	36,511	54,191	24,289	(38,505)	726,636
Intersegment sales	(13,750)	(5,308)	(3,006)	(16,441)	38,505	–
Revenue *(note 5)*	636,400	31,203	51,185	7,848	–	726,636
Segment results	24,682	2,805	2,109	903	(106)	30,393
Unallocated loss						(1,268)
Operating profit						29,125
Finance income						22,845
Finance costs, net						(22,630)
Share of profits and losses of joint ventures and associates						(1,742)
Profit before tax						27,598
Income tax expense						(6,540)
Profit for the year						21,058
Other segment information						
Depreciation	7,397	485	1,182	1,975	–	11,039
Amortisation	3,660	53	17	137	–	3,867
Write-down of inventories	1,047	27	3	10	–	1,087
Impairment of property, plant and equipment	64	–	10	358	–	432
Impairment of intangible assets	1	–	–	–	–	1
Impairment losses on contract assets	573	10	84	–	–	667
Impairment losses on financial assets	5,326	1,279	252	335	–	7,192
Capital expenditure	31,319	798	2,343	2,061	–	36,521

4. OPERATING SEGMENT INFORMATION (CONTINUED)

The segment results for the year ended 31 December 2024 and other segment information included in the consolidated financial statements are as follows:

	Year ended 31 December 2024					
	Construction	Design	Dredging	Others	Eliminations	Total
	RMB million	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*
Total gross segment revenue	682,603	36,287	59,461	26,064	(36,172)	768,243
Intersegment sales	(9,411)	(4,321)	(4,064)	(18,376)	36,172	–
Revenue *(note 5)*	673,192	31,966	55,397	7,688	–	768,243
Segment results	32,942	3,583	3,105	1,022	46	40,698
Unallocated loss						(1,391)
Operating profit						39,307
Finance income						24,241
Finance costs, net						(24,038)
Share of profits and losses of joint ventures and associates						(2,347)
Profit before tax						37,163
Income tax expense						(6,344)
Profit for the year						30,819
Other segment information						
Depreciation	6,990	452	1,097	1,452	–	9,991
Amortisation	3,317	42	13	36	–	3,408
Write-down of inventories	786	–	–	4	–	790
Impairment of property, plant and equipment	2	–	28	–	–	30
Impairment losses on contract assets	813	40	54	2	–	909
Impairment losses on financial assets	4,617	704	461	350	–	6,132
Capital expenditure	25,639	1,078	2,569	1,465	–	30,751

The amounts provided to the President Office with respect to total assets and total liabilities are measured in a manner consistent with that of the consolidated financial statements. These assets and liabilities are presented based on the operating segments they are associated with.

4. OPERATING SEGMENT INFORMATION (CONTINUED)

The segment assets and liabilities as at 31 December 2025 are as follows:

	Year ended 31 December 2025					
	Construction *RMB million*	**Design** *RMB million*	**Dredging** *RMB million*	**Others** *RMB million*	**Eliminations** *RMB million*	**Total** *RMB million*
Segment assets	**1,590,588**	**72,852**	**156,996**	**137,723**	**(142,230)**	**1,815,929**
Investments in joint ventures						**54,565**
Investments in associates						**54,771**
Other unallocated assets						**93,867**
Total assets						**2,019,132**
Segment liabilities	**711,927**	**35,879**	**84,447**	**13,420**	**(67,831)**	**777,842**
Unallocated liabilities						**773,403**
Total liabilities						**1,551,245**

The segment assets and liabilities as at 31 December 2024 are as follows:

	Year ended 31 December 2024					
	Construction *RMB million*	Design *RMB million*	Dredging *RMB million*	Others *RMB million*	Eliminations *RMB million*	Total *RMB million*
Segment assets	1,387,493	70,407	145,244	129,782	(122,485)	1,610,441
Investments in joint ventures						59,978
Investments in associates						54,394
Other unallocated assets						133,459
Total assets						1,858,272
Segment liabilities	602,660	35,907	76,147	17,535	(64,889)	667,360
Unallocated liabilities						723,097
Total liabilities						1,390,457

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

(a) Revenue from external customers

	2025 RMB million	2024 RMB million
Chinese mainland	**567,591**	633,463
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and Southeast Asia)	**159,045**	134,780
Total Revenue	**726,636**	768,243

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2025 RMB million	2024 RMB million
Chinese mainland	**311,078**	270,288
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and Southeast Asia)	**43,489**	50,154
Total non-current assets	**354,567**	320,442

The non-current asset information above is based on the locations of the assets and excludes financial assets, investments in joint ventures and associates, deferred tax assets and contract assets.

Information about a major customer

No revenue derived from services or sales to a single customer amounted to 10% or more of the Group's revenue during 2025 and 2024.

5. REVENUE, OTHER INCOME AND OTHER LOSSES, NET

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2025

Segments	Construction *RMB million*	Design *RMB million*	Dredging *RMB million*	Others *RMB million*	Total *RMB million*
Types of goods or services					
Infrastructure construction services	606,867	14,499	8,949	432	630,747
Infrastructure design services	2,495	16,358	401	–	19,254
Dredging and filling services	–	–	38,630	–	38,630
Others	27,038	346	3,205	7,416	38,005
Total	636,400	31,203	51,185	7,848	726,636
Geographical markets					
Chinese mainland	489,950	26,865	43,091	7,685	567,591
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and Southeast Asia)	146,450	4,338	8,094	163	159,045
Total	636,400	31,203	51,185	7,848	726,636
Timing of revenue recognition					
Services transferred over time	610,268	30,863	48,776	1,936	691,843
Services transferred at a point in time	8,228	–	–	–	8,228
Merchandise transferred at a point in time	17,904	340	2,409	5,912	26,565
Total	636,400	31,203	51,185	7,848	726,636

5. REVENUE, OTHER INCOME AND OTHER LOSSES, NET (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

For the year ended 31 December 2024

Segments	Construction *RMB million*	Design *RMB million*	Dredging *RMB million*	Others *RMB million*	Total *RMB million*
Types of goods or services					
Infrastructure construction services	643,650	14,701	10,165	429	668,945
Infrastructure design services	2,101	16,648	633	–	19,382
Dredging and filling services	–	–	40,858	–	40,858
Others	27,441	617	3,741	7,259	39,058
Total	673,192	31,966	55,397	7,688	768,243
Geographical markets					
Chinese mainland	548,509	30,667	46,922	7,365	633,463
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and Southeast Asia)	124,683	1,299	8,475	323	134,780
Total	673,192	31,966	55,397	7,688	768,243
Timing of revenue recognition					
Services transferred over time	645,750	31,650	52,206	429	730,035
Services transferred at a point in time	6,757	–	–	–	6,757
Merchandise transferred at a point in time	20,685	316	3,191	7,259	31,451
Total	673,192	31,966	55,397	7,688	768,243

5. REVENUE, OTHER INCOME AND OTHER LOSSES, NET (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the year ended 31 December 2025

Segments	**Construction** *RMB million*	**Design** *RMB million*	**Dredging** *RMB million*	**Others** *RMB million*	**Total** *RMB million*
Revenue from contracts with customers					
External customers	**636,400**	**31,203**	**51,185**	**7,848**	**726,636**
Intersegment sales	**13,750**	**5,308**	**3,006**	**16,441**	**38,505**
Intersegment adjustments and eliminations	**(13,750)**	**(5,308)**	**(3,006)**	**(16,441)**	**(38,505)**
Total	**636,400**	**31,203**	**51,185**	**7,848**	**726,636**

For the year ended 31 December 2024

Segments	Construction *RMB million*	Design *RMB million*	Dredging *RMB million*	Others *RMB million*	Total *RMB million*
Revenue from contracts with customers					
External customers	673,192	31,966	55,397	7,688	768,243
Intersegment sales	9,411	4,321	4,064	18,376	36,172
Intersegment adjustments and eliminations	(9,411)	(4,321)	(4,064)	(18,376)	(36,172)
Total	673,192	31,966	55,397	7,688	768,243

5. REVENUE, OTHER INCOME AND OTHER LOSSES, NET (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period.

	2025 ***RMB million***	2024 *RMB million*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Construction	**31,158**	24,049
Design	**1,464**	1,977
Dredging	**1,002**	1,558
Others	**494**	434
Total	**34,118**	28,018

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Construction, design and dredging services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 90 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over the period stipulated in the contracts.

Others

Others mainly include sale of goods. The performance obligation is satisfied upon delivery of the goods and payments are generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

The remaining performance obligations of those uncompleted contracts expected to be recognised relate to construction, design, dredging services and others that are to be satisfied within 1 to 5 years.

5. REVENUE, OTHER INCOME AND OTHER LOSSES, NET (CONTINUED)

Other income

	2025 RMB million	2024 RMB million
Rental income	1,368	1,272
Revenue from consulting services	543	696
Dividend income from equity investments designated at fair value through other comprehensive income		
– Listed equity instruments	1,014	1,041
– Unlisted equity instruments	14	32
Government grants	453	538
Dividend income from financial assets at fair value through profit or loss	363	337
Income from sale of scraps	828	646
Interest income on debt investments at amortised cost	96	196
Others	2,533	1,481
Total other income	7,212	6,239

Other losses, net

	2025 RMB million	2024 RMB million
Gains on disposal of items of property, plant and equipment	126	179
Gains on disposal of items of intangible assets and other long-term assets	93	128
Gains on disposal of subsidiaries *(note 42(i))*	1,253	2,219
Gains on disposal of joint ventures and associates	1,029	273
Fair value (losses)/gains, net:		
– Financial assets at fair value through profit or loss	(905)	(1,084)
– Derivative financial instruments – transactions not qualifying as hedges	(94)	7
Foreign exchange difference, net	(124)	510
Gains/(losses) on disposal of financial assets at fair value through profit or loss	550	(10)
Losses on derecognition of financial assets at amortised cost	(2,548)	(3,221)
Losses from business combinations achieved in stages	–	(79)
Losses on disposal of investment properties	–	(6)
Total other losses, net	(620)	(1,084)

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Notes	2025 RMB million	2024 RMB million
Raw materials and consumables used*		**210,676**	223,914
Cost of goods sold		**15,588**	15,646
Subcontracting costs		**293,686**	311,462
Employee benefit expenses*:			
– Salaries, wages and bonuses		**36,713**	36,950
– Pension costs – defined contribution plans		**6,495**	6,478
– Defined benefit plans		**18**	32
– Housing benefits		**3,271**	3,285
– Welfare, medical and other expenses		**16,097**	17,398
Total		**62,594**	64,143
Equipment and plant usage costs		**17,634**	17,692
Lease payments not included in the measurement of lease liabilities	*16(c)*	**3,414**	2,535
Business tax and other taxes		**2,150**	2,119
Fuel		**3,246**	3,564
Utilities		**2,594**	2,250
Maintenance costs		**2,066**	2,408
Research and development costs (including raw materials and consumables used, employee benefit expenses, depreciation and amortisation)		**24,703**	25,998
Depreciation of property, plant and equipment*	*14*	**8,728**	7,898
Depreciation of investment properties*	*15*	**399**	326
Depreciation of right-of-use assets*	*16(a)*	**1,912**	1,767
Amortisation of intangible assets*	*17*	**3,867**	3,408
Auditors' remuneration		**27**	28
Write-down of inventories to net realisable value		**1,087**	790
Impairment losses on financial assets, net	*25*	**7,192**	6,132
Impairment losses on contract assets, net	*24*	**667**	909
Provision for impairment of goodwill		**1**	–

* The raw materials and consumables used, the employee benefit expenses, and the depreciation and amortisation for the year charged for research and development activities are also included in the item of "Research and development costs".

7. FINANCE INCOME

	2025 RMB million	2024 RMB million
Interest income from:		
– Bank deposits	**975**	922
– Deposits in The People's Bank of China and interbank placement	**457**	457
– Contract assets and receivables from Public-Private-Partnership("PPP") contracts and primary land development contracts	**14,435**	15,388
– Loan receivables	**4,426**	5,353
– Others	**2,552**	2,121
Total	**22,845**	24,241

8. FINANCE COSTS, NET

An analysis of finance costs is as follows:

	2025 RMB million	2024 RMB million
Interests on:		
– Bank borrowings	**19,402**	20,779
– Other borrowings	**250**	152
– Corporate bonds	**1,097**	873
– Debentures	**552**	679
– Non-public debt instruments	**582**	606
– Lease liabilities	**211**	200
Subtotal	**22,094**	23,289
Less: Interest capitalised	**1,421**	1,287
Net interest expense	**20,673**	22,002
Foreign exchange difference on borrowings, net	**62**	(85)
Others	**1,895**	2,121
Total	**22,630**	24,038

Borrowing costs directly attributable to the construction and acquisition of qualifying assets were capitalised as part of the costs of those assets. A weighted average capitalisation rate of 2.53% (2024: 2.91%) per annum was used, representing the comprehensive cost rate of the borrowings used to finance the qualifying assets.

8. FINANCE COSTS, NET (CONTINUED)

Interest capitalised during the year was as follows:

	2025 RMB million	2024 RMB million
Inventories	675	718
Concession assets	534	395
Construction in progress	212	174
Total	1,421	1,287

9. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	348	465
Other emoluments:		
Salaries, allowances and benefits in kind	1,725	2,493
Performance related bonuses	2,114	3,163
Pension scheme contributions	290	396
Subtotal	4,129	6,052
Total fees and other emoluments	4,477	6,517

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Mr. Liu Hui	60	80
Mr. Chan Wing Tak Kevin	168	225
Mr. Zhou Xiaowen	60	80
Mr. Wu Guangqi	60	80
Total	348	465

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

9. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)

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

	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonuses *RMB'000*	Pension scheme contributions *RMB'000*	Total *RMB'000*
2025				
Executive directors:				
Mr. Song Hailiang *(i)*	123	102	29	254
Mr. Zhang Bingnan *(ii)*	123	102	29	254
Mr. Wang Tongzhou *(iii)*	168	163	34	365
Mr. Wang Haihuai *(iv)*	144	142	28	314
Mr. Liu Xiang	272	658	68	998
Subtotal	830	1,167	188	2,185
Supervisors:				
Mr. Wang Yongbin	220	406	34	660
Mr. Lu Yaojun	332	279	34	645
Mr. Yang Xiangyang	343	262	34	639
Subtotal	895	947	102	1,944
Total	1,725	2,114	290	4,129

(i) Mr. Song Hailiang elected as the executive director on 23 July 2025.

(ii) Mr. Zhang Bingnan elected as the executive director on 23 July 2025.

(iii) Mr. Wang Tongzhou retired as the executive director on 23 July 2025.

(iv) Mr. Wang Haihuai retired as the executive director on 23 July 2025.

9. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)

(b) Executive directors, non-executive directors and supervisors (continued)

	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonuses *RMB'000*	Pension scheme contributions *RMB'000*	Total *RMB'000*
2024				
Executive directors:				
Mr. Wang Tongzhou	317	664	66	1,047
Mr. Wang Haihuai *(Chief executive)*	317	664	66	1,047
Mr. Liu Xiang	291	591	66	948
Subtotal	925	1,919	198	3,042
Non-executive director:				
Mr. Mi Shuhua *(i)*	–	–	–	–
Subtotal	–	–	–	–
Supervisors:				
Mr. Wang Yongbin	389	522	66	977
Mr. Lu Yaojun	580	395	66	1,041
Mr. Yao Yanmin *(ii)*	–	–	–	–
Mr. Yang Xiangyang *(iii)*	599	327	66	992
Subtotal	1,568	1,244	198	3,010
Total	2,493	3,163	396	6,052

(i) Mr. Mi Shuhua retired as the independent non-executive directors on 15 January 2024.

(ii) Mr. Yao Yanmin retired as the supervisor on 11 January 2024.

(iii) Mr. Yang Xiangyang elected as the supervisor on 11 January 2024.

10. FIVE HIGHEST PAID EMPLOYEES

None of the directors and supervisors as mentioned in note 9 above was included in the five highest paid individuals. The emoluments of the five individuals whose emoluments were the highest in the Group during the year are as follows:

	2025 *RMB'000*	2024 *RMB'000*
Salaries, allowances and benefits in kind	**2,415**	2,175
Performance related bonuses	**6,618**	8,006
Pension scheme contributions	**1,082**	935
Total	**10,115**	11,116

The remuneration of the above five highest paid employees fell within the following bands.

	Number of employees	
	2025	2024
HKD$2,000,000 to HKD$2,500,000 (equivalent to approximately RMB1,806,440 to RMB2,258,050)	**5**	3
HKD$2,500,001 to HKD$3,000,000 (equivalent to approximately RMB2,258,051 to RMB2,709,660)	**–**	2
Total	**5**	5

11. INCOME TAX

Most of the companies comprising the Group are subject to the PRC enterprise income tax, which was provided based on the statutory income tax rate of 25% (2024: 25%) of the assessable income of each of these companies during the year as determined in accordance with the relevant PRC income tax rules and regulations, except for certain PRC subsidiaries of the Company which were taxed at a preferential rate of 15% (2024: 15%).

Taxation for other companies of the Group has been calculated based on the estimated assessable profit for the years ended 31 December 2025 and 31 December 2024 at the appropriate rates of taxation prevailing in the jurisdictions in which these companies operate.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2025 *RMB million*	2024 *RMB million*
Current		
– PRC enterprise income tax	**6,201**	6,225
– Elsewhere	**1,094**	1,100
Total Current	**7,295**	7,325
Deferred *(note 31)*	**(755)**	(981)
Total tax charge for the year	**6,540**	6,344

11. INCOME TAX (CONTINUED)

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	2025		2024	
	RMB million	***%***	*RMB million*	*%*
Profit before tax	**27,598**		37,163	
Tax at PRC statutory tax rate of 25%	**6,900**	**25.0**	9,291	25.0
Land appreciation tax in the PRC	**274**	**1.0**	233	0.6
Profits and losses attributable to joint ventures and associates	**436**	**1.6**	587	1.6
Income not subject to tax	**(381)**	**(1.4)**	(371)	(1.0)
Additional tax concession on research and development costs	**(994)**	**(3.6)**	(1,401)	(3.8)
Expenses not deductible for tax	**298**	**1.1**	156	0.4
Temporary differences utilised from previous periods	**(28)**	**(0.1)**	(13)	–
Temporary differences not recognised	**426**	**1.5**	159	0.4
Tax losses utilised from previous periods	**(155)**	**(0.6)**	(276)	(0.7)
Tax losses not recognised	**1,169**	**4.2**	868	2.3
Effect of differences in tax rates applicable to certain domestic and foreign subsidiaries	**(1,671)**	**(6.1)**	(2,376)	(6.4)
Adjustments in respect of current income tax of previous years	**379**	**1.4**	(150)	(0.4)
Others	**(113)**	**(0.4)**	(363)	(1.0)
Tax charge at the Group's effective rate	**6,540**	**23.7**	6,344	17.1

The share of tax attributable to joint ventures and associates amounting to approximately RMB623 million (2024: RMB526 million) is included in "Share of profits and losses of joint ventures and associates" in the consolidated statement of profit or loss.

The Company is within the scope of global minimum tax ("GMT") under the OECD Pillar Two model rules ("Pillar Two"). Subject to the enactment of Pillar Two tax legislation being passed in the jurisdictions where the Company and its subsidiaries operate, the Group is liable to pay a top-up tax for any deficiency between the minimum tax rate of 15% and the effective tax rate per jurisdiction. The Company has assessed the impact of Pillar Two and concluded that the impact is not significant.

12. DIVIDENDS

	2025	2024
	RMB million	*RMB million*
Proposed annual dividend of RMB0.19488 per ordinary share (2024: RMB0.30166)	**3,172**	4,911

A total annual dividend of approximately RMB3,172 million has been proposed for distribution to the shareholders. Of this amount, pursuant to the mandate granted at the 2024 Annual General Meeting on 16 June 2025, the Board approved an interim cash dividend of RMB1,914 million on 7 November 2025. The remaining dividend of RMB1,258 million is subject to approval by the shareholders at the forthcoming Annual General Meeting.

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent (exclusive of the interest on perpetual securities and dividend relating to restricted stock incentive plans), and the weighted average number of ordinary shares of 16,177,945,026 (2024: 16,165,711,425) outstanding during the year.

The numerator of the diluted earnings per share amount is based on the profit for the year attributable to ordinary shareholders of the Company, which is adjusted by the impact of the dividend for the restricted shares expected to be unlocked. The denominator of the diluted earnings per share amount is the total number of the weighted average number of ordinary shares outstanding of the parent, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of basic earnings per share is based on:

	2025 ***RMB million***	2024 *RMB million*
Earnings		
Profit attributable to ordinary equity holders of the parent	**14,995**	23,854
Less: Interest on perpetual securities*	**1,018**	1,231
Dividends on restricted stock shares	**2**	47
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**13,975**	22,576
Add: Dividends on restricted stock shares expected to be unlocked	**2**	–**
Adjusted profit attributable to ordinary equity holders of the parent, used in the diluted earnings per share calculation	**13,977**	22,576
Attributable to:		
Continuing operation	**13,977**	22,576

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation *(million)*	**16,178**	16,166
Effect of dilution – weighted average number of ordinary shares:		
Restricted stock incentive plans	**2**	–**
	16,180	16,166

* The perpetual securities issued by the Company were classified as equity instruments with deferrable accumulative interest. Interest of RMB1,018 million on the perpetual securities which had been accrued but not distributed during the year was deducted from earnings when calculating the earnings per share amount for the year ended 31 December 2025.

** The restricted shares had an anti-dilutive effect on the basic earnings per share for the year ended 31 December 2024 and were ignored in the calculation of diluted earnings per share. Therefore, the diluted earnings per share is equal to the basic earnings per share.

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB million*	Machinery *RMB million*	Vessels and vehicles *RMB million*	Other equipment *RMB million*	Construction in progress *RMB million*	Total *RMB million*
31 December 2025						
At 1 January 2025, net of accumulated depreciation and impairment	**24,637**	**16,290**	**21,446**	**3,229**	**14,427**	**80,029**
Additions	**264**	**1,757**	**1,770**	**1,663**	**8,604**	**14,058**
Disposals	**(44)**	**(208)**	**(327)**	**(60)**	**–**	**(639)**
Business combination	**76**	**8**	**–**	**2**	**9**	**95**
Disposal of subsidiaries	**(488)**	**(219)**	**(6)**	**(11)**	**–**	**(724)**
Transfer	**2,259**	**1,500**	**1,147**	**383**	**(5,289)**	**–**
Transfer from investment properties	**809**	**–**	**–**	**–**	**–**	**809**
Transfer from inventories	**345**	**19**	**–**	**5**	**36**	**405**
Transfer from right-of-use assets	**–**	**169**	**–**	**–**	**–**	**169**
Transfer to intangible assets	**–**	**–**	**–**	**–**	**(804)**	**(804)**
Transfer to investment properties	**(1,054)**	**–**	**–**	**–**	**(2,368)**	**(3,422)**
Depreciation provided during the year	**(1,285)**	**(3,813)**	**(1,934)**	**(1,696)**	**–**	**(8,728)**
Impairment	**(298)**	**(72)**	**(12)**	**–**	**(50)**	**(432)**
Exchange realignment and others	**(62)**	**26**	**29**	**8**	**(224)**	**(223)**
At 31 December 2025, net of accumulated depreciation and impairment	**25,159**	**15,457**	**22,113**	**3,523**	**14,341**	**80,593**
31 December 2025						
Cost	**34,446**	**41,787**	**50,105**	**17,695**	**14,439**	**158,472**
Accumulated depreciation and impairment	**(9,287)**	**(26,330)**	**(27,992)**	**(14,172)**	**(98)**	**(77,879)**
Net carrying amount	**25,159**	**15,457**	**22,113**	**3,523**	**14,341**	**80,593**

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings *RMB million*	Machinery *RMB million*	Vessels and vehicles *RMB million*	Other equipment *RMB million*	Construction in progress *RMB million*	Total *RMB million*
31 December 2024						
At 31 December 2023, net of accumulated depreciation and impairment	23,150	16,339	21,698	3,220	10,717	75,124
Additions	297	1,676	1,085	1,694	8,823	13,575
Disposals	(248)	(487)	(205)	(244)	–	(1,184)
Business combination	192	6	1	1	950	1,150
Disposal of subsidiaries	(88)	–	(3)	(8)	(143)	(242)
Transfer	1,523	2,012	863	256	(4,654)	–
Transfer from investment properties	1,022	–	–	–	–	1,022
Transfer from inventories	96	34	–	–	187	317
Transfer to inventories	–	–	–	(1)	(229)	(230)
Transfer to intangible assets	–	–	–	–	(33)	(33)
Transfer to right-of-use assets	–	–	–	–	(16)	(16)
Transfer to investment properties	(258)	–	–	–	(1,064)	(1,322)
Depreciation provided during the year	(992)	(3,227)	(1,982)	(1,697)	–	(7,898)
Impairment	–	(2)	(28)	–	–	(30)
Exchange realignment and others	(57)	(61)	17	8	(111)	(204)
At 31 December 2024, net of accumulated depreciation and impairment	24,637	16,290	21,446	3,229	14,427	80,029
31 December 2024						
Cost	32,575	40,878	48,710	17,422	14,471	154,056
Accumulated depreciation and impairment	(7,938)	(24,588)	(27,264)	(14,193)	(44)	(74,027)
Net carrying amount	24,637	16,290	21,446	3,229	14,427	80,029

As at 31 December 2025, the Group was in the process of applying for the ownership certificates for certain of its properties with an aggregate carrying amount of approximately RMB2,034 million (2024: RMB2,690 million). The directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy or use these properties.

As at 31 December 2025, certain bank and other borrowings were secured by property, plant and equipment, with a carrying amount of approximately RMB5,004 million (31 December 2024: RMB3,680 million) (note 43(b)).

15. INVESTMENT PROPERTIES

	2025 RMB million	2024 RMB million
Carrying amount at 1 January	**8,242**	9,583
Additions	**–**	1
Transfer from property, plant and equipment	**3,422**	1,322
Transfer from inventories	**232**	1,120
Transfer to property, plant and equipment	**(809)**	(1,022)
Transfer to inventories	**(417)**	(2,246)
Disposals	**–**	(180)
Disposal of subsidiaries	**(429)**	(18)
Depreciation provided during the year	**(399)**	(326)
Exchange realignment	**(108)**	8
Carrying amount at 31 December	**9,734**	8,242
Cost	**11,654**	9,819
Accumulated depreciation and impairment	**(1,920)**	(1,577)
	9,734	8,242
Fair value at 31 December *(a)*	**17,880**	16,505

15. INVESTMENT PROPERTIES (CONTINUED)

(a) As at 31 December 2025, the Group's investment properties were fair valued by China Alliance Appraisal Co., Ltd., an independent qualified valuer.

The fair value of the investment properties located in Chinese mainland as at 31 December 2025 and 31 December 2024 was determined using income approach and market comparison approach.

	Valuation techniques	Significant unobservable/ observable inputs	**Fair value at 31 December 2025** ***RMB million***	Fair value at 31 December 2024 *RMB million*
Investment properties located in Chinese mainland	Income approach: taking into account the net rental income of the properties derived mainly from the existing and/or achievable leases in the existing market with due allowance, which have been then capitalised to determine the fair value at an appropriate capitalisation rate	Future rental inflows, and capitalisation rates	**14,874**	13,448
The rest of the investment properties located in Chinese mainland	Market comparison approach: with reference to comparable market transactions	Comparable price in the market	**1,446**	1,476
Investment properties located outside Chinese mainland	Market comparison approach: with reference to comparable market transactions	Comparable price in the market	**835**	836
Investment properties located outside Chinese mainland	Income approach: taking into account the net rental income of the properties derived mainly from the existing and/or achievable leases in the existing market with due allowance, which have been then capitalised to determine the fair value at an appropriate capitalisation rate	Future rental inflows, discount rates and capitalisation rates	**725**	745
			17,880	16,505

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties as at 31 December 2025 using significant unobservable inputs (Level 3):

Valuation techniques	**Significant unobservable inputs**	**Range** **2025**	2024
Income approach (2024: Income approach)	Discount rate	**3.0%-7.0%**	3.0%-7.0%
	Average monthly rental (per square meter)	**RMB7-RMB600 per square meter**	RMB7-RMB444 per square meter

There were no transfers between Level 1 and Level 2 and into or out of Level 3 during the year (2024:Nil).

15. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy (continued)

(b) The investment properties are leased to third parties under operating leases, further details of which are included in note 16 to the financial statements.

As at 31 December 2025, the Group was in the process of applying for the ownership certificates for certain properties with an aggregate carrying amount of approximately RMB262 million (31 December 2024: RMB225 million). The directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy or use these properties.

16. LEASES

The Group as a lessee

The Group has lease contracts for various items of land, building, vessels, machinery, vehicles and other equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 20 to 70 years and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms between 1 and 10 years. The terms of vessels lease are generally 1 to 10 years under operating leases, while the lease period is 8 to 25 years under finance leases. Machinery and vehicles generally have lease terms between 1 and 5 years. Other equipment generally has lease terms of 1 to 5 years or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land *RMB million*	Buildings *RMB million*	Vessels *RMB million*	Machinery *RMB million*	Vehicles *RMB million*	Other equipment *RMB million*	Total *RMB million*
31 December 2025							
At 31 December 2024, net of accumulated depreciation	**17,833**	**2,333**	**707**	**771**	**15**	**38**	**21,697**
Additions	**440**	**1,215**	**633**	**282**	**19**	**26**	**2,615**
Transfer from inventories	**2**	**–**	**–**	**–**	**–**	**–**	**2**
Depreciation charge	**(302)**	**(1,017)**	**(172)**	**(394)**	**(13)**	**(14)**	**(1,912)**
Disposal of subsidiaries	**(123)**	**(2)**	**–**	**–**	**–**	**–**	**(125)**
Disposal, retirement, and others	**(738)**	**2**	**(14)**	**(5)**	**(2)**	**(1)**	**(758)**
Transfer to property, plant and equipment	**–**	**–**	**–**	**(169)**	**–**	**–**	**(169)**
At 31 December 2025	**17,112**	**2,531**	**1,154**	**485**	**19**	**49**	**21,350**

16. LEASES (CONTINUED)

The Group as a lessee (continued)

(a) Right-of-use assets (continued)

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows: (continued)

	Leasehold land *RMB million*	Buildings *RMB million*	Vessels *RMB million*	Machinery *RMB million*	Vehicles *RMB million*	Other equipment *RMB million*	Total *RMB million*
31 December 2024							
At 31 December 2023, net of accumulated depreciation	17,227	2,496	13	483	39	95	20,353
Additions	671	1,119	735	555	23	5	3,108
Transfer from property, plant and equipment	16	–	–	–	–	–	16
Business combinations	–	4	–	–	–	–	4
Transfer from inventories	77	–	–	–	–	–	77
Depreciation charge	(252)	(1,072)	(78)	(334)	(17)	(14)	(1,767)
Disposal of subsidiaries	(71)	–	–	–	–	–	(71)
Disposal, retirement, and others	165	(214)	37	67	(30)	(48)	(23)
At 31 December 2024	17,833	2,333	707	771	15	38	21,697

As at 31 December 2025, certain of the Group's right-of-use assets with a net carrying amount of approximately RMB10,830 million (31 December 2024: RMB9,388 million) were pledged to secure general banking facilities granted to the Group (notes 30(e) and 43(b)).

16. LEASES (CONTINUED)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) and the movements during the year are as follows:

	2025 Lease liabilities *RMB million*	2024 Lease liabilities *RMB million*
Carrying amount at 1 January	**3,683**	2,776
New leases	**2,068**	2,400
Interest expense	**211**	200
Payments	**(1,847)**	(1,607)
Others	**49**	(86)
Carrying amount at 31 December	**4,164**	3,683
Analysed into:		
Current portion	**1,004**	1,419
Non-current portion	**3,160**	2,264

The maturity analysis of lease liabilities is disclosed in note 48(c) to the consolidated financial statements.

(c)

The amounts recognised in profit or loss in relation to leases are as follows:

	2025 *RMB million*	2024 *RMB million*
Interest on lease liabilities	**211**	200
Depreciation charge of right-of-use assets	**1,912**	1,767
Expense relating to short-term leases (included in cost of sales)	**3,409**	2,532
Expense relating to leases of low-value assets (included in administrative expenses)	**–**	2
Variable lease payments not included in the measurement of lease liabilities (included in cost of sales)	**5**	1
Total amount recognised in profit or loss	**5,537**	4,502

(d)

The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in notes 39(c) and 48(c), respectively, to the consolidated financial statements.

16. LEASES (CONTINUED)

The Group as a lessor

(a) Operating lease

The Group leases its investment properties (note 15) and property, plant and equipment (note 14) consisting of certain of commercial and industrial properties in Chinese mainland and overseas under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB1,368 million (2024: RMB1,272 million).

As at 31 December 2025, the Group's operating arrangements for leased property, plant and equipment are as follows:

	Machinery *RMB million*	**Vessels and vehicles** *RMB million*	**Total** *RMB million*
At 31 December 2024, net of accumulated depreciation and impairment	1,275	435	1,710
Additions	907	1,856	2,763
Lease expiration	(20)	(33)	(53)
Depreciation	(435)	(936)	(1,371)
At 31 December 2025, net of accumulated depreciation and impairment	1,727	1,322	3,049

At 31 December 2025, the undiscounted lease payments receivables by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025 ***RMB million***	2024 *RMB million*
Within 1 year	**1,012**	728
1 year to 2 years	**523**	495
2 years to 3 years	**320**	322
3 years to 4 years	**144**	161
4 years to 5 years	**86**	169
Over 5 years	**147**	388
Total	**2,232**	2,263

16. LEASES (CONTINUED)

The Group as a lessor (continued)

(b) Finance lease

Financing income from net lease investment was RMB3,185 million (2024: RMB3,055 million).

At 31 December 2025, the Group had contracted with lessees for the following future undiscounted lease payments under non-cancellable finance leases are as follows:

	2025 ***RMB million***	2024 *RMB million*
Lease payments receivables		
– Within 1 year	**35,632**	30,824
– 1 year to 2 years	**19,095**	20,953
– 2 years to 3 years	**6,884**	7,867
– 3 years to 4 years	**1,539**	2,328
– 4 years to 5 years	**822**	925
– Over 5 years	**315**	341
Subtotal	**64,287**	63,238
Less: Unearned finance lease income	**4,413**	4,381
Net investment in the lease	**59,874**	58,857

17. INTANGIBLE ASSETS

	Concession assets *RMB million*	Goodwill *RMB million*	Trademarks, patents, proprietary technologies and copyrights *RMB million*	Computer software *RMB million*	Others *RMB million*	Total *RMB million*
31 December 2025						
At 1 January 2025, net of accumulated amortisation and impairment	**182,487**	**5,300**	**1,087**	**938**	**7,421**	**197,233**
Additions	**18,820**	**–**	**232**	**582**	**215**	**19,849**
Business combination	**–**	**–**	**–**	**–**	**73**	**73**
Acquisition of assets	**28,747**	**–**	**–**	**–**	**–**	**28,747**
Transfer from property, plant and equipment	**424**	**–**	**–**	**1**	**379**	**804**
Disposal of subsidiaries *(note 42)*	**(14,829)**	**–**	**–**	**(1)**	**–**	**(14,830)**
Disposal	**(45)**	**–**	**(4)**	**(9)**	**(20)**	**(78)**
Amortisation provided during the year	**(3,494)**	**–**	**(33)**	**(301)**	**(39)**	**(3,867)**
Provision for impairment during the year	**–**	**(1)**	**–**	**–**	**–**	**(1)**
Exchange realignment and others	**–**	**205**	**25**	**–**	**1**	**231**
Others	**(26)**	**–**	**–**	**–**	**–**	**(26)**
At 31 December 2025	**212,084**	**5,504**	**1,307**	**1,210**	**8,030**	**228,135**
31 December 2025						
Cost	**227,015**	**5,801**	**1,654**	**2,899**	**8,519**	**245,888**
Accumulated amortisation and impairment	**(14,931)**	**(297)**	**(347)**	**(1,689)**	**(489)**	**(17,753)**
Net carrying amount	**212,084**	**5,504**	**1,307**	**1,210**	**8,030**	**228,135**
31 December 2024						
At 1 January 2024, net of accumulated amortisation and impairment	188,176	5,455	1,413	724	4,795	200,563
Additions	12,856	–	1	376	834	14,067
Business combination	4,929	201	–	52	1,890	7,072
Acquisition of assets	8,401	–	–	–	–	8,401
Transfer from property, plant and equipment	–	–	–	33	–	33
Disposal of subsidiaries *(note 42)*	(29,042)	–	–	–	–	(29,042)
Disposal	(36)	–	(4)	(10)	(43)	(93)
Amortisation provided during the year	(3,064)	–	(54)	(237)	(53)	(3,408)
Exchange realignment and others	267	(351)	–	–	–	(84)
Others	–	(5)	(269)	–	(2)	(276)
At 31 December 2024	182,487	5,300	1,087	938	7,421	197,233
31 December 2024						
Cost	196,417	5,596	1,413	2,340	7,895	213,661
Accumulated amortisation and impairment	(13,930)	(296)	(326)	(1,402)	(474)	(16,428)
Net carrying amount	182,487	5,300	1,087	938	7,421	197,233

17. INTANGIBLE ASSETS (CONTINUED)

As at 31 December 2025, the net carrying amount of concession assets consisted of RMB186,783 million (2024: RMB161,220 million) under operation and RMB25,301 million (2024: RMB21,267 million) under construction, respectively.

As at 31 December 2025, the Group recognised an accumulated impairment of RMB299 million (2024: RMB299 million), based on the impairment tests for concession assets in the infrastructure construction segment.

As at 31 December 2025, certain bank and other borrowings were secured by concession assets with a total carrying amount of approximately RMB164,440 million (2024: RMB144,417 million) (notes 30(e) and 43(b)).

Impairment testing of goodwill

Goodwill is allocated to the Group's cash-generating units identified within respective operating segments. Goodwill of the Group mainly relates to the followings:

(a) the goodwill included in the Construction segment that arose in connection with the Group's acquisition of the 100% equity interest in John Holland Group Pty Limited ("John Holland") in April 2015 and acquisition of the 100% equity interest in RCR Holdings ("RCR") in February 2019, collectively referred to as John Holland cash-generating unit ("John Holland CGU");

(b) the goodwill included in the Design segment that arose in connection with the Group's acquisition of the 80% equity interest in Concremat Engenharia e Tecnologia S.A. ("Concremat CGU") in January 2017; and

(c) the goodwill included in the Other segment that arose in connection with the Group's acquisition of the 100% equity interest in Friede Goldman United, Ltd. ("F&G CGU") in August 2010.

The following is a summary of goodwill allocation:

	2025 ***RMB million***	2024 *RMB million*
John Holland CGU *(i)*	**4,610**	4,405
Concremat CGU *(i)*	**252**	252
F&G CGU *(i)*	**–**	–
Other CGUs	**642**	643
Total	**5,504**	5,300

(i) For goodwill in connection with John Holland CGU, Concremat CGU, and F&G CGU, the recoverable amount was determined based on value-in-use calculation. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. For the John Holland CGU, the key assumptions are set out below:

	2025 **John Holland**	2024 John Holland
Terminal growth rate [1]	**2%**	2%
Before tax discount rate [2]	**11.1%**	11.1%

(1) The terminal growth rate is the average annual revenue growth rate over the five-year forecast period. It is based on past performance and management's expectations of market development.

(2) The discount rate used is before tax and reflects specific risks relating to the CGU.

As at 31 December 2025, the Group recognised an accumulated impairment of RMB297 million (2024: RMB296 million) for the goodwill allocated to F&G CGU, while no impairment was recognised for the goodwill allocated to John Holland CGU and Concremat CGU based on the assessment as at 31 December 2025 and 2024.

18. INVESTMENTS IN JOINT VENTURES

	2025 RMB million	2024 RMB million
At 1 January	**59,978**	59,671
Additions	**5,623**	5,394
Disposals	**(3,379)**	(536)
Share of losses, net	**(1,729)**	(1,884)
Dividend distribution	**(464)**	(426)
Initial recognition of fair value of interests in joint ventures arising from disposal of subsidiaries	**962**	114
Conversion into subsidiaries resulting from increase in equity interests in joint ventures	**(6,580)**	(1,927)
Share of other comprehensive losses of joint ventures	**(48)**	(206)
Others	**202**	(222)
At 31 December	**54,565**	59,978

In the opinion of the directors, none of the joint ventures is individually material to the Group.

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2025 RMB million	2024 RMB million
Share of the joint ventures' losses for the year	**(1,729)**	(1,884)
Share of the joint ventures' other comprehensive loss	**(48)**	(206)
Share of the joint ventures' total comprehensive loss	**(1,777)**	(2,090)
Aggregate carrying amount of the Group's investments in the joint ventures	**54,565**	59,978

All of the joint ventures of the Group are accounted for using the equity method.

The Group's receivable and payable balances with and guarantees provided to the joint ventures are disclosed in notes 45(b) and 45(c) to the financial statements.

As at 31 December 2025, approximately 11.39% of the aggregate carrying amount of the Group's investments in the joint ventures was directly held by the Company.

19. INVESTMENTS IN ASSOCIATES

	2025 RMB million	2024 RMB million
At 1 January	**54,394**	53,801
Additions	**2,802**	2,980
Disposals	**(2,177)**	(1,082)
Share of profits and losses, net	**(13)**	(463)
Dividend distribution	**(502)**	(698)
Initial recognition of fair value of interests in associates arising from disposal of subsidiaries	**305**	96
Conversion into subsidiaries arising from increase in equity interest in associates	**(136)**	(517)
Share of other comprehensive income/(losses) of associates	**50**	(77)
Others	**48**	354
At 31 December	**54,771**	54,394

Particulars of the Group's material associate is as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Shanghai Zhenhua Heavy Industries Co., Ltd. ("ZPMC")	Ordinary shares	Chinese mainland	16.24%	Manufacture of heavy-duty equipment

Although the Group holds less than 20% equity interest in ZPMC, ZPMC has been accounted for as an associate since the Group is the second largest shareholder of ZPMC, only next to the Company's parent CCCG and has the right to nominate directors to the board of directors of ZPMC and therefore has significant influence over ZPMC. ZPMC is directly held by the Company.

ZPMC, which is considered a material associate of the Group, is a strategic partner of the Group and is accounted for using the equity method.

As at 31 December 2025, approximately 24.31% of the aggregate carrying amount of the Group's investments in the associates was directly held by the Company.

19. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the summarised financial information in respect of ZPMC and reconciled to the carrying amount in the consolidated financial statements:

	2025 *RMB million*	2024 *RMB million*
Non-current assets	**38,231**	38,824
Current assets	**44,804**	46,944
Total assets	**83,035**	85,768
Current liabilities	**(48,662)**	(46,992)
Non-current liabilities	**(15,617)**	(20,453)
Total liabilities	**(64,279)**	(67,445)
Non-controlling interests	**(2,579)**	(2,455)
Perpetual securities	**(500)**	(500)
Equity attributable to ordinary equity holders of the parent	**15,677**	15,368
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	**16.24%**	16.24%
Group's share of net assets of the associate, excluding goodwill	**2,599**	2,540
Goodwill on acquisition (less cumulative impairment)	**1,911**	1,911
Carrying amount of the investment	**4,510**	4,451
Revenue	**36,260**	34,456
Profit attributable to owners of the parent	**732**	534
Other comprehensive loss attributable to owners of the parent	**(2)**	22
Total comprehensive income for the year attributable to owners of the parent	**730**	556
Dividend received	**64**	43

19. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2025 RMB million	2024 RMB million
Share of the associates' loss for the year	(132)	(533)
Share of the associates' other comprehensive income/(loss)	50	(75)
Share of the associates' total comprehensive loss	(82)	(608)
Aggregate carrying amount of the Group's investments in the associates	50,261	49,943

All of the associates of the Group are accounted for using the equity method.

The Group's trade receivable and payable balances with and the guarantees provided to the associates are disclosed in notes 45 (b) and 45(c) to the financial statements.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RMB million	2024 RMB million
Listed equity investments *(note a)*	208	329
Unlisted investments		
– Investments in structured entities *(note 22)*	21,585	20,256
– Unlisted equity investments	4,768	4,712
– Future purchase option *(note c)*	732	2,444
– Investments in assets-backed securities *(note 22)*	17	22
– Wealth management products *(note b)*	425	168
Subtotal	27,735	27,931
Less: Non-current portion		
Unlisted investments	27,102	27,434
Total current portion	633	497

(a) The listed equity investments at 31 December 2025 were classified as financial assets at fair value through profit or loss as they were held for trading. The fair value of these investments was based on the quoted market prices at the end of the reporting period.

(b) The above wealth management products issued by banks in Chinese mainland are mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

(c) The Group purchased future purchase options to buy back equity interests in certain companies it disposed of in prior years at a discounted price. As at 31 December 2025, the fair value of the future purchase options was RMB732 million (2024: RMB2,444 million).

21. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i) Equity instruments at fair value through other comprehensive income comprise the following individual instruments:

	2025 RMB million	2024 RMB million
Listed equity instruments		
Listed equity investments, at fair value		
– China Merchants Bank Co., Ltd.	**16,693**	15,982
– China Merchants Securities Co., Ltd.	**3,085**	4,352
– Yutong Bus Co., Ltd.	**1,337**	1,079
– China Development Bank Financial Leasing Co., Ltd.	**235**	200
– CECEP Environmental Protection Equipment Co., Ltd.	**135**	120
– Zhongtong Bus Holding Co., Ltd.	**31**	51
– Others	**246**	210
Subtotal	**21,762**	21,994
Unlisted equity instruments		
– Lunan High Speed Railway Co., Ltd.	**1,167**	1,292
– Shandong Zilin Expressway Co., Ltd.	**705**	675
– Shandong Jiwei Expressway Co., Ltd.	**317**	279
– Beijing CEDC Ltd.	**436**	406
– Shandong Expressway Jiqing Midline Highway Co., Ltd.	**242**	242
– Jiangsu Xitai Tunnel Co., Ltd.	**384**	384
– Others	**1,938**	1,908
Subtotal	**5,189**	5,186
Total	**26,951**	27,180

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

(ii) Disposal of equity investments

During the year ended 31 December 2025, the Group has sold certain equity investments, as these investments no longer suited the Group's investment strategy. The equity investments sold had a fair value of RMB1,190 million (2024: RMB1,485 million) at the time of sale and the Group realised a gain of RMB1,048 million (2024: RMB1,273 million), which had already been included in other comprehensive income and transferred to retained earnings directly upon disposal.

Dividends

During the year ended 31 December 2025, the Group recognised dividends in a total amount of RMB1,028 million (2024: RMB1,073 million), including RMB1,028 million (2024: RMB1,052 million) relating to equity investments held at the end of the reporting period, respectively.

22. UNCONSOLIDATED STRUCTURED ENTITIES

The Group is principally involved with structured entities through financial investments. The Group determines whether or not to consolidate these structured entities depending on whether the Group has control over them. The unconsolidated structured entities include private equity funds, unit trust funds, trust products and asset management plans, etc. The nature and purpose of these structured entities are to engage in infrastructure investment activities. These structured entities were financed through the issue of units to investors.

As at 31 December 2025, the maximum exposure to loss and the book values of relevant investments of the Group arising from the interests held in structured entities that are sponsored by the Group or the third party financial institutions are set out as below:

	2025		2024	
	Carrying amount ***RMB million***	**Maximum exposure to loss** ***RMB million***	Carrying amount *RMB million*	Maximum exposure to loss *RMB million*
Investments in structured entities	**21,585**	**21,585**	20,256	20,256
Investments in asset-backed securities	**17**	**17**	22	22
Total	**21,602**	**21,602**	20,278	20,278

In 2025, the Group received management fees, commission and performance fees amounting to RMB24 million (2024: RMB63 million) from unconsolidated structured entities sponsored by the Group.

As disclosed in notes 25(f) and 40(iii), the Group has entered into agreements with certain financial institutions to establish ABS and ABN arrangements. As at 31 December 2025, in addition to the liquidity support provided by the Group as disclosed, the Group has invested asset-backed securities with an aggregated amount of RMB17 million (2024: RMB22million). The directors of the Company evaluate that the position of subordinated tranches invested is low and therefore determined not to consolidate these ABS and ABN.

As at 31 December 2025, except for those disclosed and note 40(iii), there were no contractual liquidity arrangements, guarantees or other commitments between the Group and the unconsolidated structured entities (2024: Nil).

23. INVENTORIES

	2025 RMB million	2024 RMB million
Raw materials	**16,143**	15,239
Work in progress	**2,173**	1,511
Properties under development *(note a)*	**59,063**	59,142
Completed properties held for sale *(note b)*	**35,648**	24,821
Finished goods	**1,441**	1,066
Others	**237**	355
Total	**114,705**	102,134

At 31 December 2025, certain of the Group's properties under development and completed properties held for sale with an aggregate carrying amount of RMB32,369 million (2024: RMB20,806 million) were pledged to secure the Group's bank loans (notes 30(e) and 43(b)).

(a) Properties under development comprise:

	2025 RMB million	2024 RMB million
Land use rights	**43,703**	43,584
Construction cost	**12,834**	12,396
Finance costs capitalised	**2,526**	3,162
Total	**59,063**	59,142

All of the properties under development are expected to be completed within the Group's normal operating cycle and are included under current assets.

(b) The amount of completed properties held for sale expected to be recovered beyond one year is RMB22,756 million (2024: RMB14,815 million). The remaining amount is expected to be recovered within one year.

24. CONTRACT ASSETS

Contract assets are initially recognised for revenue earned from the provision of construction, design and dredging services. Upon settlement with the customer, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets in 2025 and 2024 mainly resulted from the increase in the ongoing provision of construction and dredging services at the end of each of the years.

	31 December 2025 ***RMB million***	31 December 2024 *RMB million*	1 January 2024 *RMB million*
Contract assets arising from:			
Infrastructure construction	**532,499**	487,204	426,628
Infrastructure design	**11,566**	10,400	12,706
Dredging	**47,381**	20,841	17,120
Others	**112**	343	419
Subtotal	**591,558**	518,788	456,873
Impairment	**(5,839)**	(5,042)	(4,261)
Net carrying amount	**585,719**	513,746	452,612
Portion classified as non-current	**342,226**	307,506	282,355
Current portion	**243,493**	206,240	170,257

During the year ended 31 December 2025, RMB667 million (2024: RMB909 million) was recognised as an allowance for expected credit losses on contract assets.

As at 31 December 2025, the expected timing of recovery or settlement for contract assets was subject to the specific contract terms and the progress of the performance obligations.

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

	2025 ***RMB million***	2024 *RMB million*
At beginning of year	**5,042**	4,261
Impairment losses, net	**667**	909
Others	**130**	(128)
At end of year	**5,839**	5,042

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on the groupings of various customer segments with similar loss patterns (i.e., by service type, customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

24. CONTRACT ASSETS (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

	2025	2024
Expected credit loss rate	0.99%	0.97%
Gross carrying amount *(RMB million)*	591,558	518,788
Expected credit losses *(RMB million)*	5,839	5,042

25. TRADE AND OTHER RECEIVABLES

	2025 *RMB million*	2024 *RMB million*
Trade and bills receivables *(note a)*	193,809	169,443
Impairment	(33,143)	(28,538)
Net carrying amount	160,666	140,905
Long-term receivables *(note b)*	377,308	359,213
Impairment	(7,852)	(7,178)
Net carrying amount	369,456	352,035
Other receivables:		
Prepayments	28,369	28,479
Deposits *(note d)*	26,544	25,118
Others	74,147	71,061
Subtotal	129,060	124,658
Impairment *(note c)*	(9,018)	(7,647)
Net carrying amount	120,042	117,011
Total	650,164	609,951
Portion classified as non-current		
Long-term receivables	271,848	256,688
Other receivables:		
Prepayments	7,722	6,362
Deposits	3,520	3,411
Others	7,033	6,879
Total non-current portion	290,123	273,340
Total current portion	360,041	336,611

25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) The majority of the Group's revenues are generated through infrastructure construction, infrastructure design and dredging contracts and settlements are made in accordance with the terms specified in the contracts governing the relevant transactions. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

An ageing analysis of trade and bills receivables as at the end of the reporting period, net of provisions, is as follows:

	2025 ***RMB million***	2024 *RMB million*
Within 6 months	**93,975**	86,079
6 months to 1 year	**16,865**	15,025
1 year to 2 years	**26,501**	21,649
2 years to 3 years	**12,971**	7,772
Over 3 years	**10,354**	10,380
Total	**160,666**	140,905

The movements in provision for impairment of trade and bills receivables are as follows:

	2025 ***RMB million***	2024 *RMB million*
At beginning of year	**28,538**	23,988
Impairment losses, net	**4,921**	5,123
Disposal of subsidiaries	**(13)**	–
Amount written off*	**(344)**	(490)
Others	**41**	(83)
At end of year	**33,143**	28,538

* During the year ended 31 December 2025, an accumulated impairment of RMB322 million (2024: RMB410 million) was written off because the relevant trade and bills receivables were derecognised due to the arrangement of non-recourse factoring agreements, ABS, ABN, and endorsement.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the ageing of the balances for groupings of various customer segments with similar loss patterns (i.e., by service type, customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) (continued)

Set out below is the information about the credit risk exposure on the Group's trade and bills receivables using a provision matrix:

As at 31 December 2025

	Ageing						
	Less than 1 year	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**Over 5 years**	**Total**
Expected credit loss rate	**0.81%**	**14.40%**	**25.91%**	**48.20%**	**63.64%**	**83.20%**	**14.86%**
Gross carrying amount *(RMB million)*	**111,355**	**30,606**	**17,249**	**9,464**	**5,647**	**11,660**	**185,981**
Expected credit losses *(RMB million)*	**(901)**	**(4,407)**	**(4,469)**	**(4,562)**	**(3,594)**	**(9,701)**	**(27,634)**

As at 31 December 2024

	Ageing						
	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Expected credit loss rate	1.56%	14.12%	26.05%	46.48%	63.06%	81.70%	14.32%
Gross carrying amount *(RMB million)*	102,372	24,767	10,336	10,719	3,812	9,797	161,803
Expected credit losses *(RMB million)*	(1,597)	(3,497)	(2,693)	(4,982)	(2,404)	(8,004)	(23,177)

In addition to the above provision matrix, the Group has made individual loss allowance for certain customers while the credit risk increased significantly. As at 31 December 2025, the accumulated individual loss allowance was RMB5,509 million (31 December 2024: RMB5,361 million) with a carrying amount before loss allowance of RMB7,828 million (31 December 2024: RMB7,640 million).

25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Long-term receivables mainly represented amounts due from certain construction works with payment periods over one year.

	31 December 2025 ***RMB million***	31 December 2024 *RMB million*	1 January 2024 *RMB million*
Long-term receivables arising from:			
Infrastructure construction	**279,635**	327,290	280,536
Infrastructure design	**6,865**	7,512	9,439
Dredging	**27,282**	24,134	17,941
Others	**63,526**	277	948
Subtotal	**377,308**	359,213	308,864
Impairment	**(7,852)**	(7,178)	(10,295)
Net carrying amount	**369,456**	352,035	298,569
Portion classified as non-current	**271,848**	256,688	221,763
Current portion	**97,608**	95,347	76,806

During the year ended 31 December 2025, RMB944 million (2024: RMB559 million) was recognised as an allowance for expected credit losses on long-term receivables.

The movements in the loss allowance for impairment of long-term receivables are as follows:

	2025 ***RMB million***	2024 *RMB million*
At beginning of year	**7,178**	10,295
Impairment losses, net	**944**	559
Amount written off	**(275)**	(229)
Others	**5**	(3,447)
At end of year	**7,852**	7,178

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the long-term receivables are based on those of the trade receivables as long-term receivables and the trade receivables are from the same customer bases. The provision rates of long-term receivables are based on the groupings of various customer segments with similar loss patterns (i.e., by service type, customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) (continued)

Set out below is the information about the credit risk exposure on the Group's long-term receivables using a provision matrix:

	2025	2024
Expected credit loss rate	**2.08%**	2.00%
Gross carrying amount *(RMB million)*	**377,308**	359,213
Expected credit losses *(RMB million)*	**7,852**	7,178

(c) The movements in the loss allowance for impairment of other receivables are as follows:

	2025 *RMB million*	2024 *RMB million*
At beginning of year	**7,647**	7,435
Impairment losses, net	**1,327**	450
Disposal of subsidiaries	**–**	(55)
Amount written off	**(9)**	(42)
Others	**53**	(141)
At end of year	**9,018**	7,647

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates of other receivables are based on the groupings of various customer segments with similar loss patterns (i.e., by service type, customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's other receivables using a provision matrix:

	2025	2024
Expected credit loss rate	**6.99%**	6.13%
Gross carrying amount *(RMB million)*	**129,060**	124,658
Expected credit losses *(RMB million)*	**9,018**	7,647

(d) Deposits mainly represented tender and performance bonds due from customers.

25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(e) During the year ended 31 December 2025, trade receivables of RMB52,838 million (2024: RMB54,722 million) had been transferred to the banks in accordance with non-recourse factoring agreements. In the opinion of the directors, the substantial risks and rewards associated with the trade receivables have been transferred and therefore the relevant receivables have been derecognised.

(f) The Group has entered into certain agreements with certain financial institution so as to establish ABS and ABN. The ABS and ABN are bonds or notes backed by trade receivables and long-term receivables. The Group sell pools of trade receivables and long-term receivables to a SPV, whose sole function is to buy such assets in order to securitise them. The SPV, which is usually a corporation, then sells them to a trust. The trust repackages the loans as interest-bearing securities and issues them. During the year ended 31 December 2025, the relevant outstanding contract assets, trade receivables and long-term receivables under the ABS and ABN amounted to RMB18,762 million (2024: RMB32,494 million). Such trade receivables and long-term receivables were derecognised as the directors are of the opinion that the substantial risks and rewards associated with the trade receivables and long-term receivables have been transferred and therefore qualified for derecognition.

(g) The Group transferred a portion of its trade receivables to a special purpose entity, which issued asset-backed securities to investors. The Group assumed the credit risk of the transferred trade receivables by subscribing to subordinated asset-backed securities. As at 31 December 2025, receivables transferred under the arrangement but not yet settled were RMB2,847 million (31 December 2024: RMB492 million). As the Group retained a significant portion of the risk and return related to the relevant trade receivables, the Group did not derecognise the related trade receivables.

(h) The Group entered into accounts receivable factoring arrangements with certain financial institutions and transferred certain accounts receivable to financial institutions. Under this arrangement, if the accounts receivable debtor delays payment and the Group is required to repay the money, the Group retains virtually all of the risks and rewards on the ownership of the financial asset and does not terminate recognition of the financial asset. After the transfer, the Group no longer reserves the right to use it, including the right to sell, transfer or pledge it to other third parties. As at 31 December 2025, trade receivable transferred under the arrangement but not yet settled were RMB2,165 million (31 December 2024: RMB3,961 million) and long-term receivables transferred under the arrangement but not yet settled were RMB2,922 million (31 December 2024: RMB6,551 million).

(i) During the year ended 31 December 2025, outstanding bills receivable of RMB387 million (2024: RMB267 million) were endorsed to suppliers or discounted with banks. In the opinion of directors, the Group has retained the substantial risks and rewards, which include default risks relating to such bills receivable, and accordingly, it continued to recognise the full carrying amounts of the bills receivable. In addition, during the year ended 31 December 2025, outstanding bills receivable of RMB805 million (2024: RMB786 million) were endorsed to suppliers or discounted with banks. In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to such bills receivable which were fully derecognised.

(j) As at 31 December 2025, certain of the Group's outstanding trade and other receivables (excluding PPP projects) with a net carrying amount of approximately RMB33,939 million (2024: RMB40,415 million) were pledged to secure general banking facilities and other borrowings, and certain of the Group's outstanding trade receivables from PPP projects with a net carrying amount of approximately RMB230,591 million (2024: RMB209,476 million) have been pledged to secure bank borrowings (notes 30(e), 28(c) and 43(b)).

26. DERIVATIVE FINANCIAL INSTRUMENTS

	2025		2024	
	Assets ***RMB million***	**Liabilities** ***RMB million***	Assets *RMB million*	Liabilities *RMB million*
Forward currency contracts				
– Cash flow hedges	**–**	**–**	–	–
Interest rate swap	**13**	**34**	42	–
Foreign exchange option	**276**	**–**	377	–
Total	**289**	**34**	419	–
Portion classified as non-current:				
Interest rate swap	**–**	**–**	–	–
Foreign exchange option	**276**	**–**	377	–
Current portion	**13**	**34**	42	–

27. CASH AND BANK BALANCES

	2025 ***RMB million***	2024 *RMB million*
Restricted bank deposits *(note a)*	**10,920**	6,705
Time deposits with an initial term of over three months *(note b)*	**306**	802
Subtotal	**11,226**	7,507
Cash and cash equivalents	**139,830**	134,974
Total	**151,056**	142,481

(a) As at 31 December 2025, restricted bank deposits mainly included deposits for issuance of bank acceptance notes, performance bonds, letters of credit to customers, and mandatory reserve deposits placed with the People's Bank of China by CCCC Finance.

(b) Time deposits with an initial term of over three months are excluded from cash and cash equivalents, as management is of the opinion that these time deposits are not readily convertible to known amounts of cash without significant risk of changes in value.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB107,337 million (2024: RMB103,039 million). The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

As at 31 December 2025, less than 3% (2024: less than 3%) of the cash and bank balances denominated in currencies other than RMB were deposited in banks in certain countries which are subject to foreign exchange control and the currencies are not freely convertible into other currencies or remitted out of those countries.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest at the respective short-term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

28. TRADE AND OTHER PAYABLES

	2025 RMB million	2024 RMB million
Trade and bills payables *(note a)*	**445,115**	425,779
Deposits from suppliers	**49,372**	47,705
Retentions	**87,162**	72,552
Deposits in CCCC Finance *(note b)*	**15,940**	20,966
Other taxes	**46,408**	42,414
Payroll and social security	**2,425**	2,401
Other borrowings *(note c)*	**30,138**	31,422
Accrued expenses and others	**63,506**	55,045
Total	**740,066**	698,284
Portion classified as non-current		
Retentions	**63,003**	53,998
Other borrowings	**7,749**	3,345
Other taxes	**583**	597
Others	**5,270**	5,034
Total non-current portion	**76,605**	62,974
Total current portion	**663,461**	635,310

(a) An ageing analysis of trade and bills payables as at the end of the reporting period is as follows:

	2025 RMB million	2024 RMB million
Within 1 year	**379,883**	368,932
1 year to 2 years	**41,790**	38,354
2 years to 3 years	**12,677**	10,475
Over 3 years	**10,765**	8,018
Total	**445,115**	425,779

(b) CCCC Finance, a subsidiary of the Company, accepted deposits from CCCG and fellow subsidiaries. These deposits were due within one year with an average annual interest rate of 1.0% (2024: 1.0%).

(c) As at 31 December 2025, the borrowings were secured by the Group's trade and other receivables, the borrowings interest ranging approximately from 2.0% to 5.3%.

28. TRADE AND OTHER PAYABLES (CONTINUED)

(d) The financial liabilities that are part of the Group's supplier finance arrangements are included in trade and other payables.

The Group has established supplier finance arrangements that are offered to some of the Group's key suppliers in Chinese mainland. Participation in the arrangements is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangements will receive early payments or payments at the original due dates on invoices sent to the Group from the Group's external finance provider. If suppliers choose to receive early payments, they pay a fee to the finance provider. In order for the finance provider to pay the invoices, the goods must have been received or supplied, and the invoices must have been approved by the Group. Payments to suppliers ahead of or at the invoice due date are processed by the finance provider and, in all cases, the Group settles the original invoice by paying the finance provider in line with the original invoice maturity date or later as agreed with the finance provider. Payment terms with suppliers have not been renegotiated in conjunction with the arrangements. The Group provides no security to the finance provider.

The Group conducts supply chain asset securitisation business through financial institutions. The original creditors (suppliers of the Group) take the accounts receivable claims under the underlying transaction contract, which they hold as a result of selling goods to the Group, providing services, etc., as the underlying assets, and issue securities to investors through the special asset support plan. The Group issues a payment confirmation letter to the special asset support plan, confirming that the Group is obligated to settle the accounts receivable claims held by the special asset support plan upon their maturity. The Group unconditionally and irrevocably fulfils the obligation to pay off the target accounts receivable before the maturity of each accounts receivable claim.

All financial liabilities that are part of the supplier finance arrangements are included in trade and other payables in the statement of financial position.

	31 December 2025 ***RMB million***
Carrying amount of financial liabilities that are part of the supplier finance arrangements included in:	
Trade and other payables	**93,457**
Of which suppliers have received payments	**75,531**

For financial liabilities that are part of the supplier finance arrangements included in trade and other payables, there were no significant non-cash changes in the carrying amounts of these financial liabilities.

29. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

	31 December 2025 ***RMB million***	31 December 2024 *RMB million*	1 January 2024 *RMB million*
Contract liabilities arising from:			
Infrastructure construction	**93,407**	77,008	63,428
Infrastructure design	**3,446**	3,664	5,397
Dredging	**4,188**	3,158	3,973
Others	**1,525**	1,440	685
Total	**102,566**	85,270	73,483

Contract liabilities mainly include short-term advances received to render construction, design and dredging services. The increase in the book value of contract liabilities for the year was mainly due to a payment received or a payment due (whichever was earlier) from a customer before the Group transferred the related goods or services.

30. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	2025 RMB million	2024 RMB million
Non-current			
Long-term bank borrowings			
– secured	(e)	**299,637**	274,085
– guaranteed	(f)	**9,691**	12,293
– unsecured or unguaranteed		**111,379**	101,646
Subtotal		**420,707**	388,024
Long-term other borrowings			
– secured	(e)	**138**	188
– guaranteed	(f)	**3,777**	4,495
– unsecured or unguaranteed		**670**	239
Subtotal		**4,585**	4,922
Corporate bonds		**34,151**	33,662
Non-public debt instruments		**24,599**	16,625
Lease liabilities	16(b)	**3,160**	2,264
Total non-current borrowings		**487,202**	445,497
Current			
Current portion of long-term bank borrowings			
– secured	(e)	**28,937**	29,036
– guaranteed	(f)	**1,792**	1,743
– unsecured or unguaranteed		**36,155**	19,170
Subtotal		**66,884**	49,949
Short-term bank borrowings			
– secured	(e)	**19,226**	15,091
– guaranteed	(f)	**521**	648
– unsecured or unguaranteed		**82,096**	56,670
Subtotal		**101,843**	72,409
Current portion of long-term other borrowings			
– secured	(e)	**25**	34
– guaranteed	(f)	**722**	3
– unsecured or unguaranteed		**84**	134
Subtotal		**831**	171
Short-term other borrowings			
– secured	(e)	**1,521**	1,710
– unsecured or unguaranteed		**3,044**	91
Subtotal		**4,565**	1,801
Corporate bonds		**6,675**	3,485
Debentures		**14,036**	7,522
Non-public debt instruments		**4,442**	4,070
Lease liabilities	16(b)	**1,004**	1,419
Total current borrowings		**200,280**	140,826
Total borrowings		**687,482**	586,323

30. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(a) The Group's borrowings (excluding lease liabilities) were repayable as follows:

	2025 RMB million	2024 RMB million
Bank borrowings		
– Within one year or on demand	**168,727**	122,358
– In the second year	**58,460**	67,581
– In the third to fifth years, inclusive	**113,155**	100,705
– Beyond five years	**249,092**	219,738
Subtotal	**589,434**	510,382
Others, excluding lease liabilities		
– Within one year or on demand	**30,549**	17,049
– In the second year	**28,079**	10,487
– In the third to fifth years, inclusive	**30,977**	40,882
– Beyond five years	**4,279**	3,840
Subtotal	**93,884**	72,258
Total	**683,318**	582,640

(b) The carrying amounts of the borrowings are denominated in the following currencies:

	2025 RMB million	2024 RMB million
Renminbi	**670,042**	562,315
United States dollar	**4,473**	14,942
Euro	**2,225**	2,310
Hong Kong dollar	**456**	90
Japanese yen	**253**	33
Others	**10,033**	6,633
Total	**687,482**	586,323

(c) An analysis of the carrying amounts of borrowings by the type of interest rate is as follows:

	2025 RMB million	2024 RMB million
Fixed interest rate	**241,134**	198,496
Variable interest rate	**446,348**	387,827
Total	**687,482**	586,323

30. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(d) Borrowings of the Group, excluding corporate bonds, debentures, non-public debt instruments, and lease liabilities, bore interest at effective rates ranging from 0.89% to 8.76% (2024: 0.75% to 8.23%) per annum at the end of the reporting period, and four overseas banks borrowing bore interest ranging from 5.62% to 15.27% (2024: 5.62% to 18.00%).

(e) As at 31 December 2025 and 2024, the borrowings were secured by the Group's property, plant and equipment (note 14), right-of-use assets (note 16(a)), concession assets and trade receivables from PPP projects (note 17, note 25), inventories (note 23) and trade and other receivables (excluding PPP projects) (note 25).

(f) Guaranteed borrowings were guaranteed by certain subsidiaries of the Company.

(g) As of 31 December 2025, the Group's bank borrowings, subject to covenant requirements, had a carrying amount of RMB213,578 million. These covenants relate to financial metrics including the debt-to-asset ratio, current ratio, credit rating, net assets, and net profit.

31. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred tax liabilities

	2025			
	Fair value adjustments of equity investments at fair value through other comprehensive income *RMB million*	Undistributed profits in subsidiaries *RMB million*	Others *RMB million*	Total *RMB million*
31 December 2024	3,739	1,870	8,773	14,382
Charged to profit or loss during the year *(note 11)*	–	447	971	1,418
Credited to other comprehensive income	(96)	–	(11)	(107)
Business combinations	–	–	44	44
Disposal of subsidiaries	–	–	(49)	(49)
Exchange differences	–	–	113	113
Others	141	–	–	141
At 31 December 2025	3,784	2,317	9,841	15,942

31. DEFERRED TAX (CONTINUED)

Deferred tax assets

	2025				
	Impairment of financial assets and contract assets *RMB million*	**Tax losses** *RMB million*	**Discount on long-term receivables** *RMB million*	**Others** *RMB million*	**Total** *RMB million*
31 December 2024	**8,068**	**5,237**	**473**	**4,590**	**18,368**
Credited to profit or loss during the year *(note 11)*	**1,328**	**651**	**93**	**101**	**2,173**
Credited to other comprehensive income	**–**	**–**	**–**	**59**	**59**
Business combinations	**4**	**4**	**–**	**–**	**8**
Disposal of subsidiaries	**(7)**	**(11)**	**–**	**(2)**	**(20)**
Exchange differences	**221**	**17**	**17**	**(145)**	**110**
At 31 December 2025	**9,614**	**5,898**	**583**	**4,603**	**20,698**

Deferred tax liabilities

	2024			
	Fair value adjustments of equity investments at fair value through other comprehensive income *RMB million*	Undistributed profits in subsidiaries *RMB million*	Others *RMB million*	Total *RMB million*
31 December 2023	1,757	1,980	6,730	10,467
(Credited)/charged to profit or loss during the year *(note 11)*	–	(110)	1,835	1,725
Charged/(credited) to other comprehensive income	1,046	–	(13)	1,033
Business combinations	–	–	210	210
Disposal of subsidiaries	–	–	(25)	(25)
Exchange differences	(62)	–	(173)	(235)
Others	998	–	209	1,207
At 31 December 2024	3,739	1,870	8,773	14,382

31. DEFERRED TAX (CONTINUED)

Deferred tax assets

	2024				
	Impairment of financial and contract assets *RMB million*	Tax losses *RMB million*	Discount on long-term receivables *RMB million*	Others *RMB million*	Total *RMB million*
31 December 2023	7,074	4,205	452	4,474	16,205
Credited to profit or loss during the year *(note 11)*	1,311	1,090	83	222	2,706
Charged to other comprehensive income	–	–	–	(345)	(345)
Business combinations	8	–	–	–	8
Disposal of subsidiaries	(13)	(6)	–	(38)	(57)
Exchange differences	(312)	(52)	(62)	277	(149)
At 31 December 2024	8,068	5,237	473	4,590	18,368

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025		2024	
	Deferred tax assets *RMB million*	**Deferred tax liabilities *RMB million***	Deferred tax assets *RMB million*	Deferred tax liabilities *RMB million*
The gross balance	**20,698**	**15,942**	18,368	14,382
Offsetting	**(7,874)**	**(7,874)**	(6,833)	(6,833)
Total	**12,824**	**8,068**	11,535	7,549

The Group has not recognised these losses amounting to RMB27,156 million (2024: RMB26,198 million) as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

As at 31 December 2025, the Group's unrecognised deductible provisional difference for deferred tax assets was RMB11,720 million (2024: RMB10,130 million) as the directors believe it is not probable that such deductible temporary differences would be recognised.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

31. DEFERRED TAX (CONTINUED)

The Group's unrecognised tax losses and deductible provisional difference for deferred tax assets are as follows:

	2025 RMB million	2024 RMB million
Tax losses	27,156	26,198
Deductible provisional difference	11,720	10,130

The above tax losses of RMB80 million are available indefinitely and RMB27,076 million are available within 1 to 5 years for offsetting against future taxable profits of the companies in which the losses arose.

32. RETIREMENT BENEFIT OBLIGATIONS

The Group provided supplementary pension subsidies and medical benefits to its retired or early retired employees in Chinese mainland who retired prior to 1 January 2006, which are considered to be defined benefit plans, and recognised a liability for the unfunded employee benefit obligations in the consolidated statement of financial position as follows:

	2025 RMB million	2024 RMB million
Present value of defined benefit obligations	832	939
Portion classified as current portion	88	95
Non-current portion	744	844

The movements in the present value of the defined benefit obligations are as follows:

	2025 RMB million	2024 RMB million
At 1 January	939	1,009
Past service cost	7	12
Interest cost	11	20
Subtotal	957	1,041
Remeasurements		
– (Losses)/gains from changes in financial assumptions	(12)	51
– Experience gains/(losses)	28	(4)
Subtotal	973	1,088
Payments	(141)	(149)
At 31 December	832	939

32. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

The above obligations were determined based on actuarial valuation performed by an independent actuary, Towers Watson Management Consulting (Shenzhen) Co., Ltd. Beijing Branch, using the projected unit credit method. The significant actuarial assumptions are as follows:

	2025	2024
Discount rate	**1.75%**	1.50%
Medical cost growth rate	**4.00% – 8.00%**	4.00% – 8.00%

A quantitative sensitivity analysis for significant assumptions as at the end of the reporting period is shown below:

	Impact on defined benefit obligations	
	2025 ***RMB million***	2024 *RMB million*
Discount rate:		
– 0.25% increase	**(13)**	(16)
– 0.25% decrease	**14**	16
Medical cost growth rate:		
– 1.00% increase	**10**	10
– 1.00% decrease	**(9)**	(9)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the retirement benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the retirement benefit obligations as it is unlikely that changes in assumptions would occur in isolation of one another.

The following undiscounted payments are expected contributions to the defined benefit plan in future years:

	2025 ***RMB million***	2024 *RMB million*
Within 1 year	**88**	95
1 year to 2 years	**95**	105
2 years to 5 years	**231**	255
Over 5 years	**515**	584
Total	**929**	1,039

The average duration of the defined benefit plan obligation at the end of the reporting period was 7 years (2024: 7 years).

33. PROVISIONS

	Provision for foreseeable losses on contract assets *RMB million*	Repair funds *RMB million*	Pending lawsuits *RMB million*	Others *RMB million*	Total *RMB million*
At 1 January 2025	**1,330**	**1,604**	**88**	**270**	**3,292**
Additional provisions	**985**	**336**	**3**	**173**	**1,497**
Business combination	**–**	**337**	**–**	**–**	**337**
Utilised/reversed during the year	**(629)**	**(17)**	**(2)**	**(68)**	**(716)**
Disposal of subsidiaries	**–**	**(178)**	**–**	**–**	**(178)**
At 31 December 2025	**1,686**	**2,082**	**89**	**375**	**4,232**
Non-current portion	**1,686**	**2,082**	**89**	**375**	**4,232**

	Provision for foreseeable losses on contract assets *RMB million*	Repair funds *RMB million*	Pending lawsuits *RMB million*	Others *RMB million*	Total *RMB million*
At 1 January 2024	1,214	1,699	129	161	3,203
Additional provisions	530	351	19	165	1,065
Business combination	–	20	–	–	20
Other changes in the scope of consolidation	–	90	–	–	90
Utilised/reversed during the year	(414)	(106)	(60)	(56)	(636)
Disposal of subsidiaries	–	(450)	–	–	(450)
At 31 December 2024	1,330	1,604	88	270	3,292
Non-current portion	1,330	1,604	88	270	3,292

34. SHARE CAPITAL AND PREMIUM

	2025 *RMB million*	2024 *RMB million*
Issued and fully paid:		
11,856,168,225 (2024: 11,860,135,425) A shares of RMB1.00 each	**11,856**	11,860
4,418,476,000 (2024: 4,418,476,000) H shares of RMB1.00 each	**4,419**	4,419
Total	**16,275**	16,279

During the year ended 31 December 2025, CCCG, the parent company, increased its shareholding of H shares in the Company by 37,060,000 H shares. Prior to the increase in shareholding, CCCG held 9,672,003,604 shares of the Company (including 9,374,616,604 A shares and 297,387,000 H shares), representing approximately 59.42% of the total issued shares of the Company. Subsequent to the increase in shareholding, CCCG holds 9,709,063,604 shares of the Company (including 9,374,616,604 A shares and 334,447,000 H shares), representing approximately 59.66% of the total issued shares of the Company. As of 31 December 2025, CCCG holds 9,374,616,604 A shares and 334,447,000 H shares of the Company, accounting for approximately 59.66% of the Company's total issued share capital.

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	**Share capital** *RMB million*
At 1 January 2024	16,263,661,425	16,264
Issue of restricted shares *(Note (a))*	16,450,000	16
Forfeiture of restricted shares *(Note (a))*	(1,500,000)	(1)
At 31 December 2024 and 1 January 2025	16,278,611,425	16,279
Forfeiture of restricted shares *(Note (b))*	(3,967,200)	(4)
At 31 December 2025	16,274,644,225	16,275

Note (a): During the year ended 31 December 2024, the Company granted 16,450,000 restricted shares to its employees in the Group, and 1,500,000 restricted shares were repurchased and cancelled.

Note (b): During the year ended 31 December 2025, the Company repurchased and cancelled 3,967,200 restricted shares in the Group.

35. SHARE-BASED PAYMENTS

On 27 April 2023, the Company's general meeting of shareholders approved the 2022 Restricted Stock Incentive Scheme (the "Scheme"). Subsequently, the Company approved the first grant under the Scheme, and 97,950,000 restricted shares were granted to employees of the Group. On 5 June 2023, the Company completed the registration of the 97,950,000 restricted shares granted under the Scheme at the Shanghai branch of China Securities Depository and Clearing Co., Ltd.

On 26 January 2024, the board of directors of the Company approved the reserved grant under the Scheme. 16,700,000 restricted shares were granted to employees of the Group. On 21 February 2024, the Company completed the registration of the 16,450,000 restricted shares granted under the Scheme at the Shanghai branch of China Securities Depository and Clearing Co., Ltd.

The offer for the first grant and the reserved grant of each incentive share was accepted upon payment of RMB5.33 and RMB5.06 for each incentive share by the grantee. The unlocking dates of the incentive shares are the first trading day after 24 months, 36 months and 48 months from the date of share registration. Upon meeting the performance conditions stipulated in the Scheme, 34%, 33% and 33% of the incentive shares shall be unlocked, respectively.

Both the first grant and the reserved grant are share-based payments for equity-settled transactions. The fair value of the shares granted was determined by reference to the market prices of the Company's shares at the grant date. The fair value of the restricted shares granted during the period was RMB629 million (RMB6.42 each) and RMB57 million (RMB3.45 each) on the first and the reserved grant dates, of which the Group recognised a reversal of share-based payment expense of RMB148 million during the year ended 31 December 2025 (2024: RMB240 million).

Particulars and movements of the incentive shares under the scheme:

Date of grant (based on IFRS 2)	**As at 1 January 2025** *(number of shares)*	**Forfeited during the year** *(number of shares)*	**Unlocked during the period** *(number of shares)*	**Exercisable as at the end of year** *(number of shares)*
27 April 2023	**94,700,000**	**(63,498,200)**	**(31,201,800)**	**–**
26 January 2024	**16,100,000**	**(10,660,000)**	**–**	**5,440,000**

36. FINANCIAL INSTRUMENTS CLASSIFIED AS EQUITY

	2025 ***RMB million***	2024 *RMB million*
Perpetual securities	**22,200**	31,000

a) Renewable corporate bonds

As approved by the China Securities Regulatory Commission ("CSRC"), two tranches of renewable corporate bonds were issued by the Company in 2021. The first tranche has a nominal value of RMB800 million, and the initial interest rate of this tranche of bonds was 3.6% per annum, which will be reset once every five years since the issuance date. The second tranche has a nominal value of RMB500 million, and the initial interest rate of this tranche of bonds was 3.53% per annum, which will be reset once every five years since the issuance date. There is no maturity date for these bonds and the holders have no right to receive a return of principal. Pursuant to the terms of these bonds, the Company may elect to defer the distribution of interest and is not subject to any restriction as to the number of times the distribution can be deferred. The Company has the right to redeem the bonds if it has the unavoidable liability to pay additional taxes for the survival of bonds due to changes or amendments to laws, regulations or judicial interpretations of relevant laws and regulations. The Company has the right to redeem the bonds if the Company can no longer classify the bonds as equity in its consolidated financial statements due to changes in the accounting standards of the enterprise or other laws and regulations. Except for the above two cases, the Company has no rights or obligations to redeem the bonds.

36. FINANCIAL INSTRUMENTS CLASSIFIED AS EQUITY (CONTINUED)

a) Renewable corporate bonds (continued)

As approved by the CSRC, one tranche of renewable corporate bond was issued by the Company in 2022. The bond has a nominal value of RMB900 million, and the initial interest rate of this tranche of bonds was 3.45% per annum, which will be reset once every five years since the issuance date. The Company has the right to redeem the bonds if it has the unavoidable liability to pay additional taxes for the survival of bonds due to changes or amendments to laws, regulations or judicial interpretations of relevant laws and regulations. The Company has the right to redeem the bonds if the Company can no longer classify the bonds as equity in its consolidated financial statements due to changes in the accounting standards of the enterprise or other laws and regulations. Except for the above two cases, the Company has no rights or obligations to redeem the bonds.

As approved by the CSRC, one tranche of renewable corporate bond was issued by the Company in 2023. The bond has a nominal value of RMB1,500 million, and the initial interest rate of this tranche of bonds was 3.13% per annum, which will be reset once every three years since the issuance date. The Company has the right to redeem the bonds if it has the unavoidable liability to pay additional taxes for the survival of bonds due to changes or amendments to laws, regulations or judicial interpretations of relevant laws and regulations. The Company has the right to redeem the bonds if the Company can no longer classify the bonds as equity in its consolidated financial statements due to changes in the accounting standards of the enterprise or other laws and regulations. Except for the above two cases, the Company has no rights or obligation to redeem the bonds.

As approved by the CSRC, a tranche of renewable corporate bond was issued by the Company in 2024. This tranche has a nominal value of RMB3,000 million, and the initial interest rate of this tranche of bonds was 2.13% for type one and 2.17% for type two per annum, which will be reset once every two years for type one and every three years for type two since the issuance date. The Company has the right to redeem the bonds if it has the unavoidable liability to pay additional taxes for the survival of bonds due to changes or amendments to laws, regulations or judicial interpretations of relevant laws and regulations. The Company has the right to redeem the bonds if the Company can no longer classify the bonds as equity in its consolidated financial statements due to changes in the accounting standards of the enterprise or other laws and regulations. Except for the above two cases, the Company has no rights or obligations to redeem the bonds.

As approved by the CSRC, six tranches of renewable corporate bonds were issued by the Company in 2025. The first tranche has a nominal value of RMB2,000 million, and the initial interest rate of this tranche of bonds was 1.85% for type one and 1.99% for type two per annum, which will be reset once every two years for type one and every three years for type two since the issuance date. The second tranche has a nominal value of RMB3,000 million, and the initial interest rate of this tranche of bonds was 1.84% for type one and 1.89% for type two per annum, which will be reset once every two years for type one and every three years for type two since the issuance date. The third tranche has a nominal value of RMB3,000 million, and the initial interest rate of this tranche of bonds was 1.74% for type one and 1.80% for type two per annum, which will be reset once every two years for type one and every three years for type two since the issuance date. The fourth tranche has a nominal value of RMB3,000 million, and the initial interest rate of this tranche of bonds was 1.74% for type one and 1.82% for type two per annum, which will be reset once every two years for type one and every three years for type two since the issuance date. The fifth tranche has a nominal value of RMB2,000 million, and the initial interest rate of this tranche of bonds was 1.90% per annum, which will be reset once every three years since the issuance date. The sixth tranche has a nominal value of RMB2,500 million, and the initial interest rate of this tranche of bonds was 1.95% for type one and 2.09% for type two per annum, which will be reset once every two years for type one and three years for type two since the issuance date. The Company has the right to redeem the bonds if it has the unavoidable liability to pay additional taxes for the survival of bonds due to changes or amendments to laws, regulations or judicial interpretations of relevant laws and regulations. The Company has the right to redeem the bonds if the Company can no longer classify the bonds as equity in its consolidated financial statements due to changes in the accounting standards of the enterprise or other laws and regulations. Except for the above two cases, the Company has no rights or obligations to redeem the bonds.

The directors of the Company are of the opinion that the Company has no contractual obligations to repay the principal or to pay any distribution for these renewable financial instruments and therefore these financial instruments have been classified as equity.

37. RESERVES

	Capital reserve *RMB million*	Statutory surplus reserve *RMB million*	General reserve *RMB million*	Remeasurement reserve *RMB million*	Investment revaluation reserve *RMB million*	Hedging reserve *RMB million*	Safety production reserve *RMB million*	Exchange reserve *RMB million*	Retained earnings *RMB million*	Total *RMB million*
At 1 January 2025	18,392	12,705	1,423	(100)	14,378	29	5,321	(596)	195,082	246,634
Profit for the year	-	-	-	-	-	-	-	-	14,995	14,995
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	839	-	-	-	-	839
Cash flow hedges, net of tax	-	-	-	-	-	(22)	-	-	-	(22)
Share of other comprehensive income of joint ventures and associates	-	-	-	-	3	-	-	-	-	3
Share of other reserves of joint ventures and associates	57	-	-	-	-	-	-	-	-	57
Actuarial loss on retirement benefit obligations, net of tax	-	-	-	(13)	-	-	-	-	-	(13)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(356)	-	(356)
Issuance of perpetual securities	(15)	-	-	-	-	-	-	-	-	(15)
Final 2024 and mid-term 2025 dividend declared	-	-	-	-	-	-	-	-	(4,544)	(4,544)
Share based payment	(148)	-	-	-	-	-	-	-	-	(148)
Transaction with non-controlling interests	(3,745)	-	-	-	-	-	-	-	-	(3,745)
Interest on perpetual securities	-	-	-	-	-	-	-	-	(659)	(659)
Transfer to statutory surplus reserve *(a)*	-	1,732	-	-	-	-	-	-	(1,732)	-
Transfer from general reserve *(b)*	-	-	(91)	-	-	-	-	-	91	-
Transfer to safety production reserve *(c)*	-	-	-	-	-	-	244	-	(244)	-
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income	-	-	-	-	(741)	-	-	-	741	-
At 31 December 2025	14,541	14,437	1,332	(113)	14,479	7	5,565	(952)	203,730	253,026

37. RESERVES (CONTINUED)

	Capital reserve *RMB million*	Statutory surplus reserve *RMB million*	General reserve *RMB million*	Remeasurement reserve *RMB million*	Investment revaluation reserve *RMB million*	Hedging reserve *RMB million*	Safety production reserve *RMB million*	Exchange reserve *RMB million*	Retained earnings *RMB million*	Total *RMB million*
At 31 December 2023	22,058	11,285	873	(65)	10,418	(4)	4,851	305	181,222	230,943
Business combination under common control	39	–	–	–	–	–	–	–	(6)	33
At 1 January 2024	22,097	11,285	873	(65)	10,418	(4)	4,851	305	181,216	230,976
Profit for the year	–	–	–	–	–	–	–	–	23,854	23,854
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	–	5,307	–	–	–	–	5,307
Cash flow hedges, net of tax	–	–	–	–	–	33	–	–	–	33
Share of other comprehensive loss of joint ventures and associates	–	–	–	–	(283)	–	–	–	–	(283)
Share of other reserves of joint ventures and associates	28	–	–	–	–	–	–	–	–	28
Actuarial loss on retirement benefit obligations, net of tax	–	–	–	(35)	–	–	–	–	–	(35)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	(901)	–	(901)
Issuance of perpetual securities	(1)	–	–	–	–	–	–	–	–	(1)
Final 2023 and mid-term 2024 dividend declared	–	–	–	–	–	–	–	–	(7,042)	(7,042)
Share based payment	240	–	–	–	–	–	–	–	–	240
Business combination under common control	(66)	–	–	–	–	–	–	–	–	(66)
Transaction with non-controlling interests	(3,906)	–	–	–	–	–	–	–	–	(3,906)
Interest on perpetual securities	–	–	–	–	–	–	–	–	(1,570)	(1,570)
Transfer to statutory surplus reserve *(a)*	–	1,420	–	–	–	–	–	–	(1,420)	–
Transfer to general reserve *(b)*	–	–	550	–	–	–	–	–	(550)	–
Transfer to safety production reserve *(c)*	–	–	–	–	–	–	470	–	(470)	–
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income	–	–	–	–	(1,064)	–	–	–	1,064	–
At 31 December 2024	18,392	12,705	1,423	(100)	14,378	29	5,321	(596)	195,082	246,634

37. RESERVES (CONTINUED)

(a) Statutory surplus reserve

In accordance with the PRC Company Law and the Company's articles of association, the Company is required to appropriate 10% of its profit after tax as determined in accordance with the relevant accounting principles and financial regulations applicable to PRC enterprises ("PRC GAAP") and regulations applicable to the Company, to the statutory surplus reserve until such reserve reaches 50% of the registered capital of the Company. The appropriation to the reserve must be made before any distribution of dividends to owners. The statutory surplus reserve can be used to offset previous years' losses, if any, and part of the statutory surplus reserve can be capitalised as the Company's share capital provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the share capital of the Company.

For the year ended 31 December 2025, the board of directors proposed an appropriation of 10% (2024: 10%) of the Company's profit after tax, as determined under PRC GAAP, of RMB1,732 million (2024: RMB1,420 million) to the statutory surplus reserve.

(b) General reserve

CCCC Finance, one of the subsidiaries of the Company, is required by the Ministry of Finance to maintain a general reserve within equity, through the appropriation of profit, which should not be less than 1.5% of the year-end balance of its risk assets.

The general reserve balance of CCCC Finance as at 31 December 2025 amounted to RMB1,332 million (2024: RMB1,423 million).

(c) Safety production reserve

Pursuant to certain regulations issued by the Ministry of Finance and the State Administration of Work Safety, the Group is required to set aside from profit after tax an amount to a safety production reserve at different rates ranging from 1.5% to 2% of the total construction contract revenue recognised for the year. The reserve can be utilised for improvements of safety on the construction work, and the amounts are generally expenses in nature and charged to the consolidated statement of profit or loss as incurred, and at the same time the corresponding amounts of safety production reserve fund were utilised and transferred back to retained profits until such special reserve was fully utilised.

38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

Percentage of equity interests held by non-controlling interests:

	2025 *(%)*	2024 *(%)*
CCCC First Highway Engineering Group Co., Ltd.	**18.46**	18.74
CCCC Construction Group Co., Ltd.	**16.30**	19.85
CCCC First Harbour Engineering Co., Ltd.	**8.80**	13.08
CCCC Second Harbour Engineering Co., Ltd.	**12.24**	22.99
Road & Bridge International Co., Ltd.	**15.43**	25.22
CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd.	**49.00**	49.00
CCCC Design Consulting Group Co., Ltd.	**49.26**	50.87
Gansu Qilianshan Cement Group Co., Ltd.	**15.00**	15.00

Profit for the year allocated to non-controlling interests:

	2025 ***RMB million***	2024 *RMB million*
CCCC First Highway Engineering Group Co., Ltd.	**71**	217
CCCC Construction Group Co., Ltd.	**92**	186
CCCC First Harbour Engineering Co., Ltd.	**127**	188
CCCC Second Harbour Engineering Co., Ltd.	**219**	283
Road & Bridge International Co., Ltd.	**156**	203
CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd.	**4**	–
CCCC Design Consulting Group Co., Ltd.	**720**	914
Gansu Qilianshan Cement Group Co., Ltd.	**1**	82

38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

Details of the Group's subsidiaries that have material non-controlling interests are set out below: (continued)

Dividends distributed to non-controlling interests:

	2025 ***RMB million***	2024 *RMB million*
CCCC First Highway Engineering Group Co., Ltd.	**345**	389
CCCC Construction Group Co., Ltd.	**218**	292
CCCC First Harbour Engineering Co., Ltd.	**175**	241
CCCC Second Harbour Engineering Co., Ltd.	**340**	395
Road & Bridge International Co., Ltd.	**244**	300
CCCC Design Consulting Group Co., Ltd.	**262**	349
Gansu Qilianshan Cement Group Co., Ltd.	**40**	–

Accumulated balances of non-controlling interests at the reporting date:

	2025 ***RMB million***	2024 *RMB million*
CCCC First Highway Engineering Group Co., Ltd.	**2,945**	3,332
CCCC Construction Group Co., Ltd.	**1,517**	2,229
CCCC First Harbour Engineering Co., Ltd.	**1,178**	1,925
CCCC Second Harbour Engineering Co., Ltd.	**2,027**	4,023
Road & Bridge International Co., Ltd.	**1,747**	3,090
CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd.	**2,359**	2,301
CCCC Design Consulting Group Co., Ltd.	**8,172**	7,914
Gansu Qilianshan Cement Group Co., Ltd.	**1,446**	1,741

38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

2025	CCCC First Highway Engineering Group Co., Ltd. *RMB million*	CCCC Construction Group Co., Ltd. *RMB million*	CCCC First Harbour Engineering Co., Ltd. *RMB million*	CCCC Second Harbour Engineering Co., Ltd. *RMB million*	Road & Bridge International Co., Ltd. *RMB million*	CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd *RMB million*	CCCC Design Consulting Group Co., Ltd. *RMB million*	Gansu Qilianshan Cement Group Co., Ltd. *RMB million*
Revenue	114,923	33,922	51,156	75,379	58,399	327	10,963	5,160
Profit for the year	1,326	213	1,135	1,733	1,626	9	1,465	302
Total comprehensive income	1,359	147	1,060	1,734	1,553	9	1,452	302
Current assets	115,171	48,208	51,408	91,078	38,850	624	21,446	2,608
Non-current assets	169,403	65,282	45,838	62,365	77,435	15,279	9,311	10,404
Current liabilities	159,357	69,651	64,416	94,779	54,999	54	11,821	3,261
Non-current liabilities	79,756	25,519	11,875	27,886	33,263	10,416	2,630	644
Net cash flows generated from operating activities	3,971	20	1,847	3,349	436	468	353	1,059
Net cash flows (used in)/generated from investing activities	(9,080)	(2,133)	(2,637)	(1,784)	(12,535)	-	6	(810)
Net cash flows (used in)/generated from financing activities	10,919	4,890	(1,238)	(3,424)	10,908	(30)	(354)	79
Exchange losses on cash and cash equivalents	-	-	(1)	(17)	-	-	(9)	-
Net increase/(decrease) in cash and cash equivalents	5,810	2,777	(2,029)	(1,876)	(1,191)	438	(4)	328

38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations: (continued)

2024	CCCC (Beijing) One-term Equity Investment Fund LLP *RMB million*	CCCC First Highway Engineering Group Co., Ltd. *RMB million*	CCCC Second Highway Engineering Co., Ltd. *RMB million*	CCCC Construction Group Co., Ltd. *RMB million*	CCCC First Harbour Engineering Co., Ltd. *RMB million*	CCCC Second Harbour Engineering Co., Ltd. *RMB million*	CCCC Forth Harbour Engineering Co., Ltd. *RMB million*	Road & Bridge International Co., Ltd. *RMB million*	CCCC Urban Investment Holding Co., Ltd. *RMB million*	CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd *RMB million*	CCCC Design Consulting Group Co., Ltd. *RMB million*	Gansu Qilianshan Cement Group Co., Ltd. *RMB million*
Revenue	–	130,967	76,496	35,382	52,705	80,430	51,519	57,524	9,665	225	12,323	5,224
Profit for the year	1	2,877	2,482	551	1,553	2,318	2,715	2,416	1,473	–	1,787	351
Total comprehensive income	1	2,943	2,524	503	1,599	2,309	2,749	2,474	1,486	–	1,778	351
Current assets	122	102,983	39,454	42,985	50,979	76,736	33,595	36,396	46,026	151	21,031	2,579
Non-current assets	6,878	140,614	60,474	53,599	43,878	64,651	66,028	68,670	41,002	16,515	9,712	10,177
Current liabilities	57	141,401	60,090	60,462	61,331	83,793	45,229	51,169	27,777	3,582	12,207	3,175
Non-current liabilities	–	57,376	17,939	17,136	12,373	26,422	25,090	27,647	33,263	7,714	3,175	408
Net cash flows (used in)/generated from operating activities	(23)	4,912	4,117	(2,261)	2,554	2,127	3,237	1,135	(1,875)	(2,192)	(306)	1,264
Net cash flows (used in)/generated from investing activities	2,454	(6,525)	(552)	(1,278)	(375)	1,600	(5,358)	(5,956)	(5,142)	–	875	(366)
Net cash flows (used in)/generated from financing activities	(2,431)	7,716	(2,358)	3,375	1,142	985	3,612	5,876	9,882	2,306	622	(1,040)
Exchange gains/(losses) on cash and cash equivalents	–	–	(3)	–	–	(12)	(3)	1	–	–	5	–
Net increase/(decrease) in cash and cash equivalents	–	6,103	1,204	(164)	3,321	4,700	1,488	1,056	2,865	114	1,196	(142)

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group has below significant non-cash transactions:

	2025 *RMB million*	2024 *RMB million*
Increase in right-of-use assets(excluding leasehold land)	**2,175**	2,437
Bank acceptance bills endorsed settlement of trade and other payables	**1,250**	640

(b) Changes in liabilities arising from financing activities

2025	Bank and other loans *RMB million*	Lease liabilities *RMB million*	Corporate bonds *RMB million*	Debentures *RMB million*	Non-public debt instruments *RMB million*	Dividend *RMB million*	Stock repurchase *RMB million*	Total *RMB million*
At 31 December 2024	**548,700**	**3,683**	**37,147**	**7,522**	**20,695**	**4,932**	**597**	**623,276**
Changes from financing cash flows	**32,363**	**(1,847)**	**3,383**	**5,409**	**7,764**	**(11,741)**	**(257)**	**35,074**
New leases	**–**	**2,068**	**–**	**–**	**–**	**–**	**–**	**2,068**
Foreign exchange movement	**62**	**131**	**–**	**–**	**–**	**–**	**–**	**193**
Declared dividends	**–**	**–**	**–**	**–**	**–**	**10,974**	**–**	**10,974**
Interest expense	**19,652**	**211**	**1,097**	**552**	**582**	**–**	**–**	**22,094**
Interest paid classified as operating cash flows	**32,850**	**–**	**–**	**–**	**–**	**–**	**–**	**32,850**
Decrease arising from disposal of subsidiaries	**(7,861)**	**(2)**	**–**	**–**	**–**	**–**	**–**	**(7,863)**
Others	**3,788**	**(80)**	**(801)**	**553**	**–**	**–**	**70**	**3,530**
At 31 December 2025	**629,554**	**4,164**	**40,826**	**14,036**	**29,041**	**4,165**	**410**	**722,196**

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Changes in liabilities arising from financing activities (continued)

2024	Bank and other loans *RMB million*	Lease liabilities *RMB million*	Corporate bonds *RMB million*	Debentures *RMB million*	Non-public debt instruments *RMB million*	Dividend *RMB million*	Stock repurchase *RMB million*	Total *RMB million*
At 31 December 2023	482,657	2,776	22,835	6,030	17,571	2,775	522	535,166
Changes from financing cash flows	49,905	(1,607)	12,332	853	1,961	(12,194)	(8)	51,242
New leases	–	2,400	–	–	–	–	–	2,400
Foreign exchange movement	(85)	69	–	–	–	–	–	(16)
Declared dividends	–	–	–	–	–	14,350	–	14,350
Interest expense	20,931	200	873	679	606	–	–	23,289
Increase arising from acquisition of subsidiaries	13,213	4	–	–	–	3	–	13,220
Decrease arising from disposal of subsidiaries	(26,070)	–	–	–	564	(2)	–	(25,508)
Others	8,149	(159)	1,107	(40)	(7)	–	83	9,133
At 31 December 2024	548,700	3,683	37,147	7,522	20,695	4,932	597	623,276

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 *RMB million*	2024 *RMB million*
Within operating activities	**3,409**	2,534
Within investing activities	**440**	671
Within financing activities	**1,847**	1,607
Total	**5,696**	4,812

40. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE COMMITMENT

(i) Claims

The Group has been named defendants in a number of lawsuits arising in the ordinary course of business. Provision has been made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits taking into account the legal advice. No provision has been made for those pending lawsuits with a maximum compensation amount of RMB4,743 million (31 December 2024: RMB4,347 million) related mainly to disputes with customers and subcontractors, as the outcome of the lawsuits cannot be reasonably estimated or management believes the outflow of resources is not probable. Pending lawsuits of which the probability of loss is remote or the claim amount is insignificant to the Group were not included in the above.

(ii) Loan guarantees

(a) The Group has acted as the guarantor for several borrowings of RMB2,518 million (31 December 2024: RMB3,522 million) made by certain joint ventures and associates of the Group. The above amount represents the maximum exposure to default risk under the loan guarantee.

(b) The Group provides guarantees to banks for the mortgage loans of the property buyers in certain real estate projects. As at 31 December 2025, the outstanding balance of guarantees provided by the Group was approximately RMB5,098 million (31 December 2024: RMB4,592 million).

(iii) Liquidity support

The Group has entered into certain agreements with financial institutions to set up asset-backed securities (ABS) and asset-backed notes (ABN) arrangements. As at 31 December 2025, out of the ABS and ABN in issue with an aggregate amount of RMB74,018 million (31 December 2024: RMB71,254 million), RMB54,287 million (31 December 2024: RMB59,784 million) had been issued to preferential investors. Under the clauses of the agreements, the Group is subject to the obligations of liquidity supplementary payments to preferential investors when the cash available for distribution of the principal and return to preferential investors at the due date is not sufficient.

As of 31 December 2025, no provision has been made for the above liquidity supports as management estimates the outflow of resources is not probable.

41. BUSINESS COMBINATIONS

(a) Acquisition of subsidiaries not under common control

During the year ended 31 December 2025, the Group obtained control over several companies from certain independent third parties at a total consideration of RMB5,410 million. The Group has elected to measure the non-controlling interests in these companies at the non-controlling interests' proportionate shares of the identifiable net assets of these companies.

The fair values of identifiable assets and liabilities of all the acquired companies at the date of acquisition were as follows:

	Acquisition date fair value *RMB million*
Non-current assets	14,252
Current assets	6,429
Current liabilities	(5,059)
Non-current liabilities	(9,658)
Total identifiable net assets at fair value	5,964
Non-controlling interests	(540)
Gain on bargain purchase recognised in other income and gains in the consolidated statement of profit or loss	(14)
Consideration	5,410

An analysis of the cash flows in respect of the acquisition of subsidiaries is as follows:

	2025 ***RMB million***
Cash consideration	**3,425**
Cash and bank balances acquired	**208**
Net outflow of cash and cash equivalents included in cash flows from investing activities	**3,217**

Since the acquisition, the acquirees contributed RMB893 million to the Group's revenue and generated an income of RMB61 million to the Group's profit for the year ended 31 December 2025.

Had the combination taken place at the beginning of the year, the revenue of the Group and the profit of the Group for the year would have been RMB726,940 million and RMB21,096 million, respectively.

41. BUSINESS COMBINATIONS (CONTINUED)

(b) Acquisition of non-controlling interests

During the year ended 31 December 2025, the Group entered into Share Sale and Purchase Agreements with six investors (the "Investors").

Pursuant to the Share Sale and Purchase Agreements, the Group agreed to acquire additional interests in the voting shares of certain subsidiaries of the Company, CCCC First Harbour Engineering Co., Ltd., CCCC Second Harbour Engineering Co., Ltd., CCCC Fourth Harbour Engineering Co., Ltd., Road & Bridge International Co., Ltd., CCCC Second Highway Engineering Co., Ltd., CCCC Construction Group Co., Ltd. and CCCC Urban Investment Holding Co., Ltd. ("Target Companies") for cash consideration of approximately RMB11,800 million in aggregate. The carrying value of the net assets of the Target Companies (excluding goodwill on the original acquisition) at that date was RMB 8,178 million in aggregate. The following is a schedule of the additional interests acquired in the Target Companies:

	2025 ***RMB million***
Cash consideration paid to non-controlling shareholders	**11,800**
Carrying value of the additional interest in Target Companies	**(8,178)**
Difference recognised in other reserves	**3,622**

(c) Asset acquisition

During the year ended 31 December 2025, the Group acquired the majority shareholdings previously held by third parties in Guangxi Zhongjiao Guilong Expressway Co., Ltd. ("Guilong") and Guizhou Zhongjiao Yanyinsong Highway Development Co., Ltd. ("Yanyinsong") at a total cash consideration of RMB7,129 million and obtained control over the companies. On an acquisition-by-acquisition basis, the Group determined that the acquisitions were asset acquisitions rather than business acquisitions since substantially all of the fair value of the gross assets acquired was concentrated on a single identifiable asset of the acquired companies.

The financial information of the relevant assets at the time of acquisition is listed as follows:

	Acquisition date *RMB million*
Intangible assets	28,747
Other assets	4,581
Total liabilities	(26,199)
Fair value of identifiable net assets on acquisition date	7,129
Consideration	7,129
Satisfied by cash	2,100
Book value of the equity interests previously held by the Group	5,029

41. BUSINESS COMBINATIONS (CONTINUED)

(c) Asset acquisition (continued)

An analysis of the cash flows in respect of the asset acquisition is as follows:

	2025 RMB million
Cash paid for asset acquisition	2,100
Cash and bank balances of assets acquired	34
Net outflow of cash and cash equivalents in respect of asset acquisition	2,066

42. DISPOSAL OF SUBSIDIARIES

The subsidiaries of the Company such as Lekki Port Investment Holding Inc., and Zhejiang Haigang Water Transport Planning and Design Co., Ltd. were disposed of at a total consideration of RMB7,003 million. Upon completion of these transactions, the Group no longer has control over these companies.

(i) The financial information of subsidiaries disposed of by the Group at the date of disposal is as follows:

	2025 RMB million	2024 *RMB million*
Non-current assets	19,716	34,046
– Intangible assets *(note 17)*	14,830	29,042
Current assets	2,237	11,277
Current liabilities	(6,955)	(7,210)
Non-current liabilities	(7,772)	(27,552)
Subtotal	7,226	10,561
Non-controlling interests	(1,231)	(614)
Exchange fluctuation reserve	(245)	–
Subtotal	5,750	9,947
Gains on disposal of subsidiaries *(note 5)*	1,253	2,219
Total considerations	7,003	12,166
Represented by:		
Fair values of residual interests in joint ventures	962	879
Fair values of residual interests in associates	305	96
Financial assets at fair value through profit or loss	–	8
Financial assets at fair value through other comprehensive income	–	12
Consideration	5,736	11,171
Total	7,003	12,166

42. DISPOSAL OF SUBSIDIARIES (CONTINUED)

(ii) An analysis of the cash flows in respect of the disposal of subsidiaries is as follows:

	2025 RMB million	2024 RMB million
Cash received from disposal of subsidiaries in current year	**5,736**	8,528
Cash and bank balances of subsidiaries disposed of	**(817)**	(4,266)
Cash received from disposal of subsidiaries in prior years	**1,238**	1,297
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	**6,157**	5,559

43. PLEDGE OF ASSETS

(a) At 31 December 2025, the restricted deposits were RMB10,920 million (2024: RMB6,705 million).

(b) Details of the Group's assets secured for interest-bearing bank and other borrowings are as follows:

	2025 RMB million	2024 RMB million
Property, plant and equipment *(note 14)*	**5,004**	3,680
Right-of-use assets *(note 16(a))*	**10,830**	9,388
Concession assets and trade receivables from PPP projects *(note 17, note25)*	**395,031**	353,893
Inventories *(note 23)*	**32,369**	20,806
Trade and other receivables (excluding PPP projects) *(note 25)*	**33,939**	40,415
Total	**477,173**	428,182

44. COMMITMENTS

(i) Capital expenditure commitments

Capital expenditure contracted for but not yet incurred at the end of the reporting period was as follows:

	2025 RMB million	2024 RMB million
Intangible assets – concession assets	**108,126**	111,827
Property, plant and equipment	**1,786**	1,411
Others	**–**	921
Total	**109,912**	114,159

44. COMMITMENTS (CONTINUED)

(ii) Other commitment

In accordance with the financial services framework agreement between CCCC Finance and CCCG, CCCC Finance provides financial services to CCCG and its subsidiaries. In 2025, the maximum daily balance of loan services under the deposit services and loan services framework agreement was RMB9,270 million, the maximum daily balance of guarantee letter services under the guarantee letter services framework agreement was RMB7,004 million, and the maximum daily balance of bills issuance services and bonds subscription under the other credit services framework agreement was RMB2,274 million.

45. RELATED PARTY TRANSACTIONS

(a)

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

	2025 ***RMB million***	2024 *RMB million*
Transactions with CCCG		
– Revenue from the provision of construction services and construction-related services	**4,576**	6,484
– Rental charges	**308**	300
– Interest expenses on deposits placed in CCCC Finance	**7**	7
– Loans to CCCG by CCCC Finance	**–**	1,000
– Interest income from loans provided by CCCC Finance	**7**	54
– Other borrowings from CCCG	**10,540**	13,413
– Interest expenses on loans	**225**	164
Transactions with fellow subsidiaries		
– Revenue from the provision of construction and construction-related services	**5,913**	7,923
– Revenue from sale of goods	**495**	579
– Rental income	**39**	59
– Interest expenses on deposits placed in CCCC Finance	**154**	156
– Interest expenses on loans	**2**	8
– Purchases of materials	**1,597**	2,442
– Subcontracting and service charges	**1,529**	2,333
– Rental charges	**26**	35
– Loans to fellow subsidiaries by CCCC Finance	**2,100**	2,640
– Interest income from loans provided by CCCC Finance	**53**	63
– Factoring to fellow subsidiaries	**98**	607
– Interest income from factoring	**12**	33
– Finance lease loans to fellow subsidiaries	**889**	894
– Interest income from finance lease loans	**58**	52

45. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year: (continued)

	2025 *RMB million*	2024 *RMB million*
Transactions with fellow subsidiaries' joint ventures and associates		
– Interest income from finance lease loans	–	1
– Interest income from factoring	–	10
– Revenue from the provision of construction and construction-related services	56	666
Transactions with joint ventures and associates		
– Revenue from the provision of construction and construction-related services	33,732	48,065
– Revenue from sale of goods	16	102
– Purchases of materials	135	209
– Subcontracting and service charges	532	579
– Rental income	11	38
– Interest expense on deposits placed in CCCC Finance	29	31
– Loans from joint ventures and associates	1,062	5,071
– Interest expenses on loans	16	36
– Interest income from loans by CCCC Finance	5	7
– Loans to joint ventures and associates	6,318	9,699
– Interest income from other loans	438	496
– Factoring to joint ventures and associates	44	160
– Interest income from factoring	2	16
– Finance lease loans to joint ventures and associates	80	–
– Interest income from finance lease loans	17	54

These transactions were carried out by reference to the prices and terms that would be available to third parties in the ordinary course of business.

ZPMC is an associate and also a fellow subsidiary of the Company. The transaction with ZPMC and its subsidiaries for 2025 and 2024, and the outstanding balances with ZPMC and its subsidiaries as at 31 December 2025 and 31 December 2024 were included in the category of transactions and balances with fellow subsidiaries.

45. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties:

Balances with related parties other than government-related entities:

	2025 RMB million	2024 RMB million
Trade and bills receivables due from		
– CCCG	**904**	637
– Fellow subsidiaries	**3,054**	2,863
– Joint ventures and associates	**7,955**	7,892
– Fellow subsidiaries' joint ventures	**63**	31
Subtotal	**11,976**	11,423
Long-term trade receivables due from		
– CCCG	**3,989**	2,930
– Fellow subsidiaries	**5,887**	6,440
– Joint ventures and associates	**28,392**	26,120
– Fellow subsidiaries' joint ventures	**471**	223
Subtotal	**38,739**	35,713
Prepayments to		
– Fellow subsidiaries	**753**	577
– Joint ventures and associates	**761**	266
– Fellow subsidiaries' joint ventures	**5**	–
Subtotal	**1,519**	843
Other receivables due from*		
– CCCG	**521**	1,487
– Fellow subsidiaries	**4,424**	4,709
– Joint ventures and associates	**9,185**	9,803
Subtotal	**14,130**	15,999
Contract assets		
– CCCG	**479**	–
– Fellow subsidiaries	**2,390**	93
– Joint ventures and associates	**7,830**	7,845
– Fellow subsidiaries' joint ventures	**–**	9
Subtotal	**10,699**	7,947
Total	**77,063**	71,925

* Except for those loans to related parties included in other receivables which are interest-bearing, outstanding balances with related parties are unsecured, interest-free and repayable in cash.

45. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties (continued)

Balances with related parties other than government-related entities: (continued)

	2025 RMB million	2024 RMB million
Trade and bills payables due to		
– Fellow subsidiaries	**4,308**	4,595
– Joint ventures and associates	**1,653**	1,891
– Fellow subsidiaries' joint ventures	**35**	20
Subtotal	**5,996**	6,506
Long-term trade payables due to		
– Fellow subsidiaries	**2,474**	2,573
– Joint ventures and associates	**678**	1,153
– Fellow subsidiaries' joint ventures	**2**	1
Subtotal	**3,154**	3,727
Contract liabilities		
– CCCG	**447**	320
– Fellow subsidiaries	**895**	1,080
– Joint ventures and associates	**3,963**	4,803
– Fellow subsidiaries' joint ventures	**37**	27
Subtotal	**5,342**	6,230
Other payables*		
– CCCG	**12,055**	12,465
– Fellow subsidiaries	**13,203**	17,479
– Joint ventures and associates	**9,199**	8,918
– Fellow subsidiaries' joint ventures	**10**	1
Subtotal	**34,467**	38,863
Other borrowings		
– Fellow subsidiaries	**250**	50
Lease liabilities		
– Fellow subsidiaries	**1**	9
– Joint ventures and associates	**135**	123
Subtotal	**136**	132
Total	**49,345**	55,508

* Including deposits from related parties.

45. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Guarantees with related parties:

	2025 RMB million	2024 RMB million
Outstanding loan guarantees provided to		
– Joint ventures	**712**	1,707
– Associates	**1,806**	1,815
Total	**2,518**	3,522
Outstanding guarantees provided by CCCG	**9,103**	9,102

(d) Commitments with related parties:

	2025 RMB million	2024 RMB million
Provision of construction services		
– CCCG	**6,413**	6,602
– Fellow subsidiaries	**18,038**	17,343
– Joint ventures and associates	**72,740**	80,446
– Fellow subsidiaries' joint ventures	**1,654**	1,698
Total	**98,845**	106,089
Purchase of services and goods		
– Fellow subsidiaries	**3,140**	2,779
– Joint ventures and associates	**270**	858
Total	**3,410**	3,637

(e) Key management compensation:

	2025 RMB '000	2024 RMB '000
Short term employee benefits	**6,183**	10,689
Post-employment benefits	**499**	659
Total	**6,682**	11,348

45. RELATED PARTY TRANSACTIONS (CONTINUED)

(f) Equity transactions with related parties

During the year ended 31 December 2025, the Group contributed RMB26 million in total to share capitals of companies set up together with fellow subsidiaries of CCCG.

(g) Other transactions with related parties

a) As of 31 December 2025, CCCC Finance, a subsidiary of the Company, provided migrant workers' wage guarantees, advance payment guarantees and performance guarantees to related parties in the amount of RMB42 million (31 December 2024: RMB913 million).

b) As of 31 December 2025, the outstanding balances of the bond investments in China Communications Real Estate Group Co., Ltd., held by CCCC Finance, was RMB300 million and during the year, the interest of RMB37 million was accrued and recovered. The outstanding balance of the bond investments in China Urban and Rural Construction Development Co., Ltd. held by CCCC Finance was RMB50 million and during the year, the interest of RMB1 million was accrued and recovered.

c) In August 2025, China International Water & Electric Corp. ("CIWE"), CCCC Second Highway Engineering Co., Ltd., and CCCC-SHEC Seventh Highway Engineering Co., Ltd. ("Seventh Highway Engineering") entered into a capital increase agreement, with CIWE increasing its capital in Seventh Highway Engineering by RMB346 million. After the completion of this transaction, CIWE will hold 55% of the equity in Seventh Highway Engineering and the equity in Seventh Highway Engineering held by CCCC Second Highway Engineering Co., Ltd. will be reduced from 100% to 45%.

d) In 2025, CIWE transferred 30% of the equity in 100MW photovoltaic power station project in Jwaneng, Botswana to the Company's subsidiary, CHEC involving a one-off connected transaction amounting to approximately RMB2 million.

e) In 2025, CCCG Real Estate Co., Ltd. and the Company's subsidiaries, CCCC-FHEC Urban Investment Development (Tianjin) Co., Ltd. and CCCC Urban Investment Holding Co., Ltd., reduced the capital of Guangxi CCCC Urban Investment Development Co., Ltd. by a total of RMB150 million in the ratio of 40%, 30%, and 30%, and received reduction payments of RMB60 million, RMB45 million, and RMB45 million, respectively.

46. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2025

Financial assets

	Financial assets at fair value through other comprehensive income		Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	Debt investments *RMB million*	Equity investments *RMB million*	Held for trading *RMB million*	*RMB million*	*RMB million*
Financial assets at fair value through profit or loss	–	–	27,735	–	27,735
Equity investments at fair value through other comprehensive income	–	26,951	–	–	26,951
Derivative financial instruments	–	–	289	–	289
Debt investments at amortised cost	–	–	–	541	541
Trade and other receivables excluding prepayments and other non-financial assets	1,091	–	–	620,704	621,795
Cash and cash equivalents	–	–	–	151,056	151,056
Total	1,091	26,951	28,024	772,301	828,367

Financial liabilities

	Financial liabilities at fair value through profit or loss *RMB million*	Financial liabilities at amortised cost *RMB million*	Total *RMB million*
Borrowings (excluding lease liabilities)	–	713,456	713,456
Derivative financial instruments	34	–	34
Trade and bills payables *(note 28)*	–	445,115	445,115
Deposits from suppliers *(note 27)*	–	49,372	49,372
Retentions *(note 28)*	–	87,162	87,162
Deposits in CCCC Finance *(note 27)*	–	15,940	15,940
Financial liabilities included in other payables and accruals	–	63,350	63,350
Total	34	1,374,395	1,374,429

46. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

2024

Financial assets

	Financial assets at fair value through other comprehensive income		Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	Debt investments *RMB million*	Equity investments *RMB million*	Held for trading *RMB million*	*RMB million*	*RMB million*
Financial assets at fair value through profit or loss	–	–	27,931	–	27,931
Equity investments designated at fair value through other comprehensive income	–	27,180	–	–	27,180
Derivative financial instruments	–	–	419	–	419
Debt investments at amortised cost	–	–	–	1,322	1,322
Trade and other receivables excluding prepayments and other non-financial assets	1,134	–	–	550,693	551,827
Cash and bank balances	–	–	–	142,481	142,481
Total	1,134	27,180	28,350	694,496	751,160

Financial liabilities

	Financial liabilities at fair value through profit or loss *RMB million*	Financial liabilities at amortised cost *RMB million*	Total *RMB million*
Borrowings (excluding lease liabilities)	–	614,062	614,062
Trade and bills payables *(note 28)*	–	425,779	425,779
Deposits from suppliers *(note 27)*	–	47,705	47,705
Retentions *(note 28)*	–	72,552	72,552
Deposits in CCCC Finance *(note 27)*	–	20,966	20,966
Financial liabilities included in other payables and accruals	–	53,815	53,815
Total	–	1,234,879	1,234,879

47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than lease liabilities and those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2025	2024	**2025**	2024
	RMB million	*RMB million*	***RMB million***	*RMB million*
Financial liabilities				
Non-current				
Bank borrowings	**420,707**	388,024	**420,622**	387,939
Corporate bonds	**34,151**	33,662	**33,378**	32,876
Non-public debt instruments	**24,599**	16,625	**24,290**	15,834
Other borrowings (other than lease liabilities)	**4,585**	4,922	**4,797**	5,125
Total	**484,042**	443,233	**483,087**	441,774

Management has assessed that the fair values of cash and bank balances, financial assets included in trade and other receivables, and financial liabilities included in trade and other payables approximate to their carrying amounts.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank and other borrowings and non-public debt instruments (excluding lease liabilities) have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings and non-public debt instruments (excluding lease liabilities) as at 31 December 2025 were assessed to be insignificant.

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation techniques. The valuation models used mainly comprise the discounted cash flow model and the market comparable corporate model. The inputs of the valuation technique mainly include future cash flows, PBR (price/book ratio) of companies in same category and unit prices of comparable property.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with high credit ratings. Derivative financial instruments, including forward currency contracts, interest rate swaps and total return swaps, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts interest rate swaps and total return swaps are the same as their fair values.

As at 31 December 2025, the mark-to-market value of the derivative asset position was net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

Fair value measurement categorised within level 3 adopts discounted cash flow method. The unobservable inputs are weighted average capital costs and long-term growth rates.

47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments have been estimated by the most appropriate valuation techniques based on assumptions that are not supported by observable market prices or rates, including: (i) market approach by using initial cost of the investment itself or a multiple of earnings, or of revenue depending on the stage of development of an enterprise; and (ii) income approach by using the discounted cash flows or earnings of underlying business based on reasonable assumptions and estimations of expected future cash flows (or expected future earnings), the terminal value, and the appropriate risk-adjusted rate that captures the risk inherent in the projections.

The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income or profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group invests in unlisted investments, which represent wealth management products issued by financial institutions in Chinese mainland. The Group has estimated the fair values of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets and liabilities measured at fair value:

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB million*	Significant observable inputs (Level 2) *RMB million*	Significant unobservable inputs (Level 3) *RMB million*	Total *RMB million*
Assets				
Bills receivable	–	1,091	–	1,091
Equity investments designated at fair value through other comprehensive income	21,762	–	5,189	26,951
Financial assets at fair value through profit or loss	941	–	26,794	27,735
Derivative financial instruments				
– Interest rate swap	–	13	–	13
– Foreign exchange option	–	–	276	276
Total	22,703	1,104	32,259	56,066
Liabilities				
Derivative financial instruments				
– Forward currency contracts	–	34	–	34

47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments: (continued)

Assets and liabilities measured at fair value: (continued)

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB million*	Significant observable inputs (Level 2) *RMB million*	Significant unobservable inputs (Level 3) *RMB million*	Total *RMB million*
Assets				
Bills receivable	–	1,134	–	1,134
Equity investments designated at fair value through other comprehensive income	21,994	–	5,186	27,180
Financial assets at fair value through profit or loss	672	–	27,259	27,931
Derivative financial instruments				
– Interest rate swap	–	42	–	42
– Foreign exchange option	–	–	377	377
Total	22,666	1,176	32,822	56,664
Liabilities				
Derivative financial instruments				
– Forward currency contracts	–	–	–	–

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2024: Nil).

The movements in fair value measurements within Level 3 during the year are as follows:

	2025 *RMB million*	2024 *RMB million*
At 1 January	**32,822**	32,247
Total losses recognised in the consolidated statement of profit or loss included in other gains	**(1,052)**	(1,059)
Total (losses)/gains recognised in other comprehensive income	**(437)**	24
Purchases	**8,349**	6,975
Disposals	**(7,423)**	(5,365)
At 31 December	**32,259**	32,822

47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

Liabilities for which fair values are disclosed:

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) ***RMB million***	**Significant observable inputs (Level 2)** ***RMB million***	**Significant unobservable inputs (Level 3)** ***RMB million***	**Total** ***RMB million***
Bank borrowings	**–**	**420,622**	**–**	**420,622**
Corporate bonds	**4,000**	**29,378**	**–**	**33,378**
Non-public debt instruments	**–**	**24,290**	**–**	**24,290**
Other borrowings (other than lease liabilities)	**–**	**4,797**	**–**	**4,797**
Total	**4,000**	**479,087**	**–**	**483,087**

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB million*	Significant observable inputs (Level 2) *RMB million*	Significant unobservable inputs (Level 3) *RMB million*	Total *RMB million*
Bank borrowings	–	387,939	–	387,939
Corporate bonds	4,000	28,876	–	32,876
Non-public debt instruments	–	15,834	–	15,834
Other borrowings (other than lease liabilities)	–	5,125	–	5,125
Total	4,000	437,774	–	441,774

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the finance department under policies approved by the board of directors. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign currency risk

The functional currency of the majority of the entities within the Group is RMB. Most of the Group's transactions are based and settled in RMB. Foreign currencies are used to settle the Group's revenue from overseas operations, the Group's purchases of machinery and equipment from overseas suppliers, and certain expenses.

RMB is not freely convertible into other foreign currencies and conversion of RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC Government.

As at 31 December 2025, the Group's aggregate net assets of RMB17,152 million, including trade and other receivables, cash and bank balances, trade and other payables and borrowings, were denominated in foreign currencies, mainly USD.

To manage the impact of currency exchange rate fluctuations, the Group continually assesses its exposure to currency risks, and a portion of those risks is hedged by using derivative financial instruments when management considers necessary.

As at 31 December 2025, if RMB had strengthened/weakened by 5% against USD with all other variables held constant, pre-tax profit for the year would have been decreased/increased by approximately RMB1,114 million (2024: RMB155 million), mainly as a result of foreign exchange losses/gains on translation of USD-denominated trade and other receivables, cash and cash equivalents.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified in the consolidated statement of financial position either as equity investments designated at fair value through other comprehensive income or financial assets or financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The table below summarises the impact of increases/decreases of quoted price in open markets on the Group's pre-tax profit for the year and on equity. The analysis is based on the assumption that the equity price had increased/decreased by 10% with all other variables held constant:

	2025	2024
Increase/decrease in quoted price in open markets	**10%**	10%

	2025 ***RMB million***	2024 *RMB million*
Impact on profit before tax for the year	**21**	33
Impact on equity (excluding retained profits)	**2,176**	2,199

(iii) Interest rate risk

The Group's interest rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. During 2025 and 2024, the Group's borrowings at variable rates were mainly denominated in RMB, USD, Euro and Hong Kong dollar.

Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

Increase in interest rates will increase the cost of new borrowings and the interest expense with respect to the Group's outstanding floating rate borrowings, and therefore could have an adverse effect on the Group's financial position. Management continuously monitors the interest rate position of the Group and makes decisions with reference to the latest market conditions. From time to time, the Group may enter into interest rate swap agreements to mitigate its exposure to interest rate risks in connection with the floating rate borrowings, although the directors did not consider it was necessary to do so in 2025 and 2024.

As at 31 December 2025, the Group's borrowings of approximately RMB391,055 million (31 December 2024: RMB353,154 million) were at variable rates. As at 31 December 2025, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, profit before tax for the year would have decreased/increased by RMB3,911 million (31 December 2024: RMB3,532 million), mainly as a result of higher/lower interest expense on floating rate borrowings.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk

The carrying amounts of cash and bank balances, trade and other receivables except for prepayments and derivative financial instruments, represent the Group's maximum exposure to credit risk in relation to financial assets.

Maximum exposure and year-end staging as at 31 December 2025

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are net carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2025

	12-month ECLs		Lifetime ECLs		
	Stage 1 *RMB million*	Stage 2 *RMB million*	Stage 3 *RMB million*	Simplified approach *RMB million*	Total *RMB million*
Contract assets*	–	–	–	585,719	585,719
Trade and other receivables*	379,850	42,956	1,445	159,576	583,827
Debt investments at amortised cost	–	–	541	–	541
Restricted bank deposits and time deposits with an initial term of over three months					
– Not yet past due	11,226	–	–	–	11,226
Cash and cash equivalents					
– Not yet past due	139,830	–	–	–	139,830
Guarantees given to banks in connection with facilities granted to an associate and joint ventures	2,518	–	–	–	2,518
Total	533,424	42,956	1,986	745,295	1,323,661

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

As at 31 December 2024

	12-month ECLs		Lifetime ECLs		
	Stage 1 *RMB million*	Stage 2 *RMB million*	Stage 3 *RMB million*	Simplified approach *RMB million*	Total *RMB million*
Contract assets*	–	–	–	513,746	513,746
Trade and other receivables*	362,833	46,594	1,531	139,771	550,729
Debt investments at amortised cost	–	–	1,322	–	1,322
Restricted bank deposits and time deposits with an initial term of over three months – Not yet past due	7,507	–	–	–	7,507
Cash and cash equivalents – Not yet past due	134,974	–	–	–	134,974
Guarantees given to banks in connection with facilities granted to an associate and joint ventures	3,522	–	–	–	3,522
Total	508,836	46,594	2,853	653,517	1,211,800

* For contract assets, trade and other receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 24 and note 25 to the financial statements, respectively.

As at 31 December 2025, the financial assets classified to stage 3 for lifetime ECLs are debt investments at amortised cost, other receivables and long-term receivables with a gross carrying amount of approximately RMB4,659 million (2024: RMB5,237 million). Further quantitative data in respect of the Group's exposure to credit risk arising from other receivables and long-term receivables are disclosed in note 25 to the consolidated financial statements.

(c) Liquidity risk

Liquidity risk encompasses the risk that the Group cannot meet its financial obligations in full.

The Group's maturity analysis of borrowings that shows the remaining contractual maturities is disclosed in note 30.

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities. Due to the capital-intensive nature of the Group's business, the Group ensures that it maintains flexibility through keeping sufficient cash and cash equivalents and credit lines to meet its liquidity requirements. The Group finances its working capital requirements through a combination of funds generated from operations and banks and other borrowings.

Due to the Group's supplier finance arrangements, the relevant trade payables are due to a single counterparty rather than individual suppliers. This results in the Group being required to settle a significant amount with a single counterparty, rather than less significant amounts with a number of suppliers. However, the Group's payment terms for trade payables covered by the arrangements are either identical to the payment terms for other trade payables or extended to no more than 180 days. Management does not consider the supplier finance arrangements to result in excessive concentrations of liquidity risk, given that the payment terms are not significantly extended. Details of the arrangements are disclosed in note 28 to the financial statements.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the Group's non-derivative financial liabilities and derivative financial instruments into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity dates, and the amounts disclosed in the table are the contractual undiscounted cash flows.

2025

	Less than 1 year *RMB million*	**Between 1 and 2 years** *RMB million*	**Between 2 and 5 years** *RMB million*	**Over 5 years** *RMB million*	**Total** *RMB million*
Borrowings (excluding lease liabilities)	**216,103**	**100,380**	**174,227**	**301,162**	**791,872**
Lease liabilities	**1,186**	**1,114**	**1,260**	**1,174**	**4,734**
Trade and other payables (excluding statutory and non-financial liabilities)	**615,063**	**49,537**	**19,450**	**7,477**	**691,527**
Net-settled derivative financial instruments	**34**	**–**	**–**	**–**	**34**
Total contractual undiscounted payments	**832,386**	**151,031**	**194,937**	**309,813**	**1,488,167**

2024

	Less than 1 year *RMB million*	Between 1 and 2 years *RMB million*	Between 2 and 5 years *RMB million*	Over 5 years *RMB million*	Total *RMB million*
Borrowings (excluding lease liabilities)	155,399	91,742	170,971	265,341	683,453
Lease liabilities	1,470	746	977	856	4,049
Trade and other payables (excluding statutory and non-financial liabilities)	591,070	40,390	18,793	3,509	653,762
Total contractual undiscounted payments	747,939	132,878	190,741	269,706	1,341,264

The Group's contractual amounts relating to loan guarantees and liquidity support are disclosed in note 40 of the consolidated financial statements.

Derivative financial instruments comprise forward currency contracts used by the Group to hedge the exposure to foreign currency risk.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash assets and cash equivalents. Total capital is calculated as "Equity" as shown in the consolidated statement of financial position plus net debt. The Group aims to maintain the gearing ratio at a reasonable level.

The Group has established supplier finance arrangements to manage its working capital, details of which are included in note 28 to the financial statements.

	31 December 2025 ***RMB million***	31 December 2024 *RMB million*
Total borrowings *(note 30)*	**687,482**	586,323
Less: Cash and cash equivalents	**139,830**	134,974
Net debt	**547,652**	451,349
Total equity	**467,887**	467,815
Total capital	**1,015,539**	919,164
Gearing ratio	**53.9%**	49.1%

The Group's gearing ratio increases from 49.1% to 53.9% on 31 December 2025 as compared with the ratio as at 31 December 2024.

49. EVENT AFTER THE REPORTING PERIOD

On 30 March 2026, the Board proposed a total annual dividend of approximately RMB3,172 million to the shareholders, subject to the shareholders' approval at the forthcoming Annual General Meeting. Of this amount, pursuant to the mandate granted at the 2024 annual general meeting on 16 June 2025, the Board approved a interim cash dividend of RMB1,914 million on 7 November 2025, which has been recognised as liabilities. The remaining dividend of RMB1,258 million, proposed after the end of the reporting period, has not been recognised as liabilities at the end of the reporting period.

50. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB million	2024 RMB million
Non-current assets		
Property, plant and equipment	**204**	193
Right-of-use assets	**101**	115
Investment properties	**1,529**	1,588
Intangible assets	**905**	850
Investments in subsidiaries	**190,609**	179,580
Investments in joint ventures	**6,215**	6,018
Investments in associates	**13,314**	13,331
Financial assets at fair value through profit or loss	**1,462**	1,115
Equity investments designated at fair value through other comprehensive income	**8,482**	7,919
Contract assets	**2,961**	2,267
Trade and other receivables	**4,684**	3,202
Loans to subsidiaries	**427**	427
Amounts due from subsidiaries	**1,463**	780
Total non-current assets	**232,356**	217,385
Current assets		
Inventories	**489**	484
Contract assets	**10,237**	9,678
Trade and other receivables	**8,354**	9,589
Loans to subsidiaries	**4,400**	5,084
Amounts due from subsidiaries	**52,342**	47,908
Restricted bank deposits	**–**	39
Cash and cash equivalents	**21,996**	16,916
Total current assets	**97,818**	89,698
Current liabilities		
Trade and other payables	**19,963**	19,399
Contract liabilities	**9,153**	5,613
Amounts due to subsidiaries	**51,017**	44,313
Tax payables	**178**	206
Interest-bearing bank and other borrowings	**57,939**	47,500
Retirement benefit obligations	**2**	2
Total current liabilities	**138,252**	117,033
Net current liabilities	**(40,434)**	(27,335)
Total assets less current liabilities	**191,922**	190,050

Continued/…

50. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Information about the statement of financial position of the Company at the end of the reporting period is as follows: (continued)

	2025 *RMB million*	2024 *RMB million*
Non-current liabilities		
Trade and other payables	**409**	331
Deferred income	**9**	5
Amounts due to subsidiaries	**9,055**	6,857
Interest-bearing bank and other borrowings	**15,792**	20,165
Deferred tax liabilities	**2,232**	2,089
Retirement benefit obligations	**19**	22
Provisions	**78**	19
Total non-current liabilities	**27,594**	29,488
Net assets	**164,328**	160,562
Equity		
Share capital	**16,275**	16,279
Treasury shares	**(667)**	(597)
Share premium	**20,092**	20,109
Financial instruments classified as equity	**22,200**	31,000
Reserves *(note)*	**106,428**	93,771
Total equity	**164,328**	160,562

50. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

	Capital reserve *RMB million*	Statutory surplus reserve *RMB million*	Remeasurement reserve *RMB million*	Investment revaluation reserve *RMB million*	Exchange reserve *RMB million*	Retained earnings *RMB million*	Total *RMB million*
At 31 December 2024	**22,047**	**13,253**	**59**	**5,723**	**42**	**52,647**	**93,771**
Profit for the year	–	–	–	–	–	**17,315**	**17,315**
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	**422**	–	–	**422**
Share of other comprehensive income of joint ventures and associates	–	–	–	**(1)**	–	–	**(1)**
Exchange differences on translation of foreign operations	–	–	–	–	**(23)**	–	**(23)**
Share-based payment	**(148)**	–	–	–	–	–	**(148)**
Issuance of perpetual securities	**(15)**	–	–	–	–	–	**(15)**
Final 2024 and mid-term 2025 dividend declared	–	–	–	–	–	**(4,544)**	**(4,544)**
Interest distribution on perpetual securities	–	–	–	–	–	**(659)**	**(659)**
Transfer to statutory surplus reserve	–	**1,732**	–	–	–	**(1,732)**	–
Others	**310**	–	–	–	–	–	**310**
At 31 December 2025	**22,194**	**14,985**	**59**	**6,144**	**19**	**63,027**	**106,428**

	Capital reserve *RMB million*	Statutory surplus reserve *RMB million*	Remeasurement reserve *RMB million*	Investment revaluation reserve *RMB million*	Exchange reserve *RMB million*	Retained earnings *RMB million*	Total *RMB million*
At 31 December 2023	21,798	11,833	62	3,993	26	48,476	86,188
Profit for the year	–	–	–	–	–	14,203	14,203
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	1,731	–	–	1,731
Share of other comprehensive income of joint ventures and associates	–	–	–	(1)	–	–	(1)
Share of other reserves of joint ventures and associates	9	–	–	–	–	–	9
Actuarial losses on retirement benefit obligations, net of tax	–	–	(3)	–	–	–	(3)
Exchange differences on translation of foreign operations	–	–	–	–	16	–	16
Share-based payment	240	–	–	–	–	–	240
Final 2023 and mid-term 2024 dividend declared	–	–	–	–	–	(7,042)	(7,042)
Interest distribution on perpetual securities	–	–	–	–	–	(1,570)	(1,570)
Transfer to statutory surplus reserve	–	1,420	–	–	–	(1,420)	–
At 31 December 2024	22,047	13,253	59	5,723	42	52,647	93,771

51. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of directors on 30 March 2026.

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To the shareholders of China Communications Construction Company Limited

(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of China Communications Construction Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 129 to 264, which comprise the consolidated statement of financial position as at 31 December 2024 and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as issued by the International Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Hong Kong Institute of Certified Public Accountants ("HKICPA")'s *Code of Ethics for Professional Accountants* (the "Code") issued by the HKICPA, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Recognition of revenue from construction services The Group derives most of its revenue from construction services and accounts for such revenue by measuring progress towards the completion of the performance obligations (measuring progress). The measuring progress method involves the use of significant judgements and estimates, including estimates of total contract revenue and total contract cost. The management of the Group will continue to reappraise items such as total contract revenue, total cost according to the scope of deliveries and services required, and the remaining cost to completion. In addition, revenue and cost realised on such contracts can vary (sometimes significantly) from the Group's original estimates because of changes in conditions. The accounting policies and disclosures for the recognition of revenue from construction services are included in notes 2.5, 3, and 5 to the financial statements.	We evaluated and tested the Group's internal controls over the process to recognise revenue, including the records of expected contract costs and contract revenue, and revenue recognised based on the measurement of the progress towards satisfaction of the performance obligations. We selected material construction contracts to review key contract terms and checked the expected total contract revenue and contract costs. We examined the contract costs incurred on a sample basis by tracing them to related documents. We performed cut-off testing procedures to check if the costs had been recognised in the appropriate accounting period. We re-calculated the proportion of the actual cost incurred relative to the estimated total cost and the revenue recognised under the measuring progress method. In addition, we performed analytical procedures on the gross margins of material construction contracts of the Group. We assessed the adequacy of the disclosures of revenue recognition from construction services.
Impairment of contract assets, trade receivables and long-term receivables The impairment of contract assets, trade receivables and long-term receivables was recognised based on the allowance for expected credit loss ("ECL"). The management of the Group determines the ECLs for contract assets, trade receivables and long-term receivables based on historical information of the settlement of contract assets and the collection of trade receivables and long-term receivables, customers' creditworthiness, and forward-looking economic conditions, involving the use of significant judgements and estimates. The accounting policies and disclosures for the impairment of contract assets, trade receivables and long-term receivables are included in notes 2.5, 3 ,24 and 25 to the financial statements.	We evaluated and tested the Group's internal controls over the process of recognising the allowance for ECLs of contract assets, trade receivables and long-term receivables. We reviewed the management's analysis of historical information of the settlement of contract assets and the collection of trade receivables and long-term receivables. We tested the accuracy of the ageing of trade receivables and long-term receivables balances by tracing details of related documents on a sample basis. We evaluated the management's credit risk assessment of contract assets, trade receivables and long-term receivables. We assessed the adequacy of the disclosures of the impairment of contract assets, trade receivables and long-term receivables.
Impairment assessment of concession assets For concession assets with indications of impairment, the management of the Group performed impairment tests to revalue the recoverable amounts of such concession assets. The recoverable amounts of such assets are determined using the discounted cash flow method which requires the Group to make assumptions, including future expectations for the traffic volume, necessary maintenance and operating costs incurred for the concession assets, and discount rates. The assessment of recoverable amounts performed by the management of the Group with the assistance of management specialists involves significant judgements and estimation. The accounting policies and disclosures for the impairment assessment of concession assets are included in notes 2.5, 3 and 17 to the financial statements.	We evaluated and tested the Group's internal controls over the process of impairment assessment on concession assets. We evaluated the competence, capabilities and objectivity of management's specialists employed by the Group. We obtained an understanding of the work of management's specialists and evaluated the appropriateness of the models and assumptions used by the management specialists. We involved internal valuation specialists to assist us in evaluating the models and the inputs used, such as the discount rates. We reviewed the basis and assumptions used in the cash flow forecasts, including the forecasted traffic volume, the operational performance of these concession assets and the development plan for the relevant areas in which these concession assets operated. We also compared the prior year's forecast with the Group's actual performance in 2024. We also evaluated the reasonableness of the discount rates. We assessed the adequacy of the disclosures of impairment assessment of concession assets.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

The engagement partner on the audit resulting in this independent auditor's report is Wong Man Kit.

Ernst & Young
Certified Public Accountants

Hong Kong
27 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	Notes	2024 RMB million	2023 RMB million (Restated)
Revenue	4, 5	**768,243**	755,687
Cost of sales		**(675,640)**	(661,138)
Gross profit		**92,603**	94,549
Other income	5	**6,239**	5,573
Other losses, net	5	**(1,084)**	(325)
Selling and marketing expenses		**(3,091)**	(2,548)
Administrative expenses		**(45,239)**	(47,594)
Impairment losses on financial assets and contract assets, net		**(7,041)**	(7,901)
Other expenses		**(3,080)**	(2,780)
Operating profit		**39,307**	38,974
Finance income	7	**24,241**	23,898
Finance costs, net	8	**(24,038)**	(24,311)
Share of profits and losses of:			
– Joint ventures		**(1,884)**	(1,409)
– Associates		**(463)**	400
Profit before tax	6	**37,163**	37,552
Income tax expense	11	**(6,344)**	(6,399)
Profit for the year		**30,819**	31,153
Attributable to:			
– Owners of the parent		**23,854**	24,739
– Non-controlling interests		**6,965**	6,414
		30,819	31,153
Earnings per share attributable to ordinary equity holders of the parent	13		
Basic		**RMB1.40**	RMB1.45
Diluted		**RMB1.40**	RMB1.45

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024 *RMB million*	2023 *RMB million* (Restated)
Profit for the year	**30,819**	31,153
Other comprehensive income/(losses)		
Other comprehensive income/(losses) that will not be reclassified to profit or loss in subsequent periods, net of tax:		
Actuarial losses on retirement benefit obligations, net of tax	**(40)**	(2)
Share of other comprehensive income of joint ventures and associates	**(9)**	–
Changes in fair value of equity investments designated at fair value through other comprehensive income/(losses), net of tax	**5,306**	(2,734)
Net other comprehensive income/(losses) that will not be reclassified to profit or loss in subsequent periods	**5,257**	(2,736)
Other comprehensive income/(losses) that may be reclassified to profit or loss in subsequent periods, net of tax:		
Cash flow hedges, net of tax	**33**	(4)
Share of other comprehensive (losses)/income of joint ventures and associates	**(274)**	24
Exchange differences on translation of foreign operations	**(913)**	617
Net other comprehensive (losses)/income that may be reclassified to profit or loss in subsequent periods	**(1,154)**	637
Other comprehensive income/(losses) for the year, net of tax	**4,103**	(2,099)
Total comprehensive income for the year	**34,922**	29,054
Attributable to:		
– Owners of the parent	**27,975**	22,623
– Non-controlling interests	**6,947**	6,431
	34,922	29,054

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	31 December 2024 RMB million	31 December 2023 RMB million (Restated)
Non-current assets			
Property, plant and equipment	14	**80,029**	75,124
Investment properties	15	**8,242**	9,583
Right-of-use assets	16(a)	**21,697**	20,353
Intangible assets	17	**197,233**	200,563
Investments in joint ventures	18	**59,978**	59,671
Investments in associates	19	**54,394**	53,801
Financial assets at fair value through profit or loss	20	**27,434**	27,316
Derivative financial instruments	26	**377**	413
Debt investments at amortised cost		**402**	1,240
Equity investments designated at fair value through other comprehensive income	21	**27,180**	21,425
Contract assets	24	**307,506**	282,355
Trade and other receivables	25	**273,340**	236,179
Deferred tax assets	31	**11,535**	10,117
Total non-current assets		**1,069,347**	998,140
Current assets			
Inventories	23	**102,134**	88,021
Contract assets	24	**206,240**	170,257
Trade and other receivables	25	**336,611**	302,271
Financial assets at fair value through profit or loss	20	**497**	838
Debt investments at amortised cost		**920**	–
Derivative financial instruments	26	**42**	–
Restricted bank deposits and time deposits with an initial term of over three months	27	**7,507**	10,730
Cash and cash equivalents	27	**134,974**	110,253
		788,925	682,370
Assets of a disposal group classified as held for sale		**–**	3,902
Total current assets		**788,925**	686,272
Current liabilities			
Trade and other payables	28	**635,310**	564,403
Contract liabilities	29	**85,270**	73,483
Derivative financial instruments	26	**–**	5
Tax payable		**7,307**	9,662
Interest-bearing bank and other borrowings	30	**140,826**	111,912
Retirement benefit obligations	32	**95**	102
		868,808	759,567
Liabilities directly associated with the assets classified as held for sale		**–**	2,688
Total current liabilities		**868,808**	762,255
Net current liabilities		**(79,883)**	(75,983)
Total assets less current liabilities		**989,464**	922,157

Continued/…

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	31 December 2024 RMB million	31 December 2023 RMB million (Restated)
Total assets less current liabilities		**989,464**	922,157
Non-current liabilities			
Trade and other payables	*28*	**62,974**	53,121
Interest-bearing bank and other borrowings	*30*	**445,497**	399,714
Deferred income		**1,493**	1,633
Deferred tax liabilities	*31*	**7,549**	4,379
Retirement benefit obligations	*32*	**844**	907
Provision	*33*	**3,292**	3,203
Total non-current liabilities		**521,649**	462,957
Net assets		**467,815**	459,200
Equity			
Equity attributable to owners of the parent			
Share capital	*34*	**16,279**	16,264
Share premium		**20,109**	20,049
Treasury shares		**(597)**	(522)
Financial instruments classified as equity	*36*	**31,000**	35,000
Reserves	*37*	**246,634**	230,976
		313,425	301,767
Non-controlling interests		**154,390**	157,433
Total equity		**467,815**	459,200

Wang Tongzhou
Director

Wang Haihuai
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

	Notes	Attributable to owners of the parent								
		Share capital RMB million	Treasury shares RMB million	Share premium RMB million	Financial instruments classified as equity [1] RMB million	Other reserves RMB million	Retained earnings RMB million	Total RMB million	Non-controlling interests [2] RMB million	Total equity RMB million
At 31 December 2023		16,264	(522)	20,049	35,000	49,721	181,222	301,734	157,390	459,124
Business combination under common control		-	-	-	-	39	(6)	33	43	76
At 1 January 2024 (restated)		16,264	(522)	20,049	35,000	49,760*	181,216*	301,767	157,433	459,200
Profit for the year		-	-	-	-	-	23,854	23,854	6,965	30,819
Other comprehensive income/(losses) for the year:										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax		-	-	-	-	5,307	-	5,307	(1)	5,306
Cash flow hedges, net of tax		-	-	-	-	33	-	33	-	33
Share of other comprehensive income of joint ventures and associates		-	-	-	-	(283)	-	(283)	-	(283)
Actuarial losses on retirement benefit obligations, net of tax		-	-	-	-	(35)	-	(35)	(5)	(40)
Exchange differences on translation of foreign operations		-	-	-	-	(901)	-	(901)	(12)	(913)
Total comprehensive income for the year		-	-	-	-	4,121	23,854	27,975	6,947	34,922
Final 2023 and Mid-term 2024 dividend declared		-	-	-	-	-	(7,042)	(7,042)	-	(7,042)
Interest distribution on perpetual securities [1][2]		-	-	-	-	-	(1,570)	(1,570)	(2,673)	(4,243)
Share-based payment	35	-	-	-	-	240	-	240	-	240
Grant of restricted shares		16	-	67	-	-	-	83	-	83
Forfeiture of restricted shares		(1)	8	(7)	-	-	-	-	-	-
Restricted shares repurchase obligation		-	(83)	-	-	-	-	(83)	-	(83)
Dividends to non-controlling shareholders		-	-	-	-	-	-	-	(3,065)	(3,065)
Share of other reserves of joint ventures and associates		-	-	-	-	28	-	28	-	28
Shares repurchased		-	-	-	-	-	-	-	(12,065)	(12,065)
Withdrawal of capital by non-controlling shareholders		-	-	-	-	-	-	-	(2,984)	(2,984)
Capital contribution from non-controlling shareholders		-	-	-	-	-	-	-	5,286	5,286
Business combination under common control		-	-	-	-	(66)	-	(66)	35	(31)
Acquisition of subsidiaries	41(a)	-	-	-	-	-	-	-	457	457
Acquisition of assets	41(c)	-	-	-	-	-	-	-	13	13
Disposal of subsidiaries	42	-	-	-	-	-	-	-	(614)	(614)
Issue of perpetual securities		-	-	-	3,000	(1)	-	2,999	28,196	31,195
Redemption of perpetual securities		-	-	-	(5,900)	-	-	(5,900)	(26,197)	(32,097)
Transaction with non-controlling interests		-	-	-	-	(3,906)	-	(3,906)	3,530	(376)
Transfer to statutory surplus reserve	37(a)	-	-	-	-	1,420	(1,420)	-	-	-
Transfer to general reserve	37(b)	-	-	-	-	550	(550)	-	-	-
Transfer to safety production reserve	37(c)	-	-	-	-	470	(470)	-	-	-
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income		-	-	-	-	(1,064)	1,064	-	-	-
Other		-	-	-	(1,100)	-	-	(1,100)	91	(1,009)
At 31 December 2024		16,279	(597)	20,109	31,000	51,552*	195,082*	313,425	154,390	467,815

* As at 31 December 2024, these reserve accounts comprise the consolidated reserves of RMB246,634 million (2023: RMB230,976 million (restated)) in the consolidated statement of financial position.

(1) As of 31 December 2024, perpetual securities of RMB31,000 million (2023: RMB35,000 million) issued by the Company were classified as equity in the consolidated financial statements. During the year, interest distribution on these perpetual securities by the Company totalled RMB1,570 million.

(2) As of 31 December 2024, perpetual securities of RMB87,661 million (2023: RMB85,436 million) issued by subsidiaries of the Company were classified as non-controlling interests in the consolidated financial statements. During the year, interest distribution on these perpetual securities by the subsidiaries of the Company totalled RMB2,673 million.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

		Attributable to owners of the parent								
	Notes	Share capital RMB million	Treasury shares RMB million	Share premium RMB million	Financial instruments classified as equity[1] RMB million	Other reserves RMB million	Retained earnings RMB million	Total RMB million	Non-controlling interests[2] RMB million	Total equity RMB million
At 31 December 2022		16,166	–	19,625	37,988	44,339	163,860	281,978	144,198	426,176
Business combination under common control		–	–	–	–	(62)	707	645	931	1,576
Effect of adoption of amendments to IAS 12		–	–	–	–	–	1	1	–	1
At 1 January 2023 (restated)		16,166	–	19,625	37,988	44,277	164,568	282,624	145,129	427,753
Profit for the year (restated)		–	–	–	–	–	24,739	24,739	6,414	31,153
Other comprehensive income/(losses) for the year:										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax		–	–	–	–	(2,729)	–	(2,729)	(5)	(2,734)
Cash flow hedges, net of tax		–	–	–	–	(4)	–	(4)	–	(4)
Share of other comprehensive income of joint ventures and associates		–	–	–	–	24	–	24	–	24
Actuarial losses on retirement benefit obligations, net of tax		–	–	–	–	(1)	–	(1)	(1)	(2)
Exchange differences on translation of foreign operations		–	–	–	–	594	–	594	23	617
Total comprehensive income for the year (restated)		–	–	–	–	(2,116)	24,739	22,623	6,431	29,054
Final 2022 dividend declared		–	–	–	–	–	(3,509)	(3,509)	–	(3,509)
Interest distribution on perpetual securities		–	–	–	–	–	(1,393)	(1,393)	(3,842)	(5,235)
Share-based payment	*35*	–	–	–	–	146	–	146	–	146
Grant of restricted shares		98	–	424	–	–	–	522	–	522
Restricted shares repurchase obligation		–	(522)	–	–	–	–	(522)	–	(522)
Dividends to non-controlling shareholders		–	–	–	–	–	–	–	(2,713)	(2,713)
Share of other reserves of joint ventures and associates		–	–	–	–	4	–	4	–	4
Shares repurchased		–	–	–	–	–	–	–	(916)	(916)
Withdrawal of capital by non-controlling shareholders		–	–	–	–	–	–	–	(2,011)	(2,011)
Capital contribution from non-controlling shareholders		–	–	–	–	–	–	–	4,636	4,636
Spin-off and separate listing of three subsidiaries		–	–	–	–	4,929	–	4,929	7,373	12,302
Business combination under common control		–	–	–	–	(185)	–	(185)	(101)	(286)
Acquisition of subsidiaries		–	–	–	–	–	–	–	106	106
Disposal of subsidiaries	*42*	–	–	–	–	–	–	–	(2,027)	(2,027)
Issue of perpetual securities		–	–	–	3,000	(15)	–	2,985	30,963	33,948
Redemption of perpetual securities		–	–	–	(5,988)	–	–	(5,988)	(25,824)	(31,812)
Transaction with non-controlling interests		–	–	–	–	(464)	(5)	(469)	229	(240)
Transfer to statutory surplus reserve	*37(a)*	–	–	–	–	2,260	(2,260)	–	–	–
Transfer from general reserve	*37(b)*	–	–	–	–	95	(95)	–	–	–
Transfer to safety production reserve	*37(c)*	–	–	–	–	922	(922)	–	–	–
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income		–	–	–	–	(93)	93	–	–	–
At 31 December 2023 (restated)		16,264	(522)	20,049	35,000	49,760*	181,216*	301,767	157,433	459,200

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Notes	2024 RMB million	2023 RMB million (Restated)
Cash flows from operating activities			
Profit before tax		**37,163**	37,552
Adjustments for:			
– Depreciation of property, plant and equipment, investment properties	6	**8,224**	8,335
– Depreciation of right-of-use assets	6	**1,767**	1,434
– Amortisation of intangible assets	6	**3,408**	3,285
– Gains on disposal of items of property, plant and equipment, intangible assets and other long-term assets	5	**(307)**	(511)
– Gains on disposal of joint ventures and associates	5	**(273)**	(7)
– Fair value losses on financial assets at fair value through profit or loss	5	**1,084**	770
– Fair value (gains)/losses on derivative financial instruments	5	**(7)**	278
– Losses/(gains) on disposal of financial assets at fair value through profit or loss	5	**10**	(10)
– Gains on disposal of subsidiaries	5	**(2,219)**	(518)
– Dividend income from financial assets at fair value through profit or loss	5	**(337)**	(284)
– Dividend income from equity investments designated at fair value through other comprehensive income	5	**(1,073)**	(873)
– Other income from investing activities		**(168)**	(102)
– Share of losses of joint ventures and associates, net	18,19	**2,347**	1,009
– Write-down of inventories to net realisable value	6	**790**	254
– Provision for impairment of contract assets	6	**909**	1,008
– Provision for impairment of trade and other receivables	6	**6,132**	6,893
– Provision for impairment of property, plant and equipment	14	**30**	5
– Provision for impairment of associates and joint ventures	18,19	**–**	248
– Provision for impairment of goodwill	17	**–**	196
– Interest income	7	**(24,241)**	(23,898)
– Interest expenses	8	**22,002**	21,809
– Equity-settled share-based payment		**240**	146
– Net foreign exchange (gains)/losses on borrowings	8	**(85)**	437
		55,396	57,456
Increase in inventories		**(9,115)**	(8,164)
Increase in trade and other receivables		**(74,304)**	(65,999)
Increase in contract assets		**(66,214)**	(57,686)
Decrease/(increase) in restricted bank deposits		**413**	(1,540)
Increase in trade and other payables		**81,566**	75,562
Increase/(decrease) in contract liabilities		**11,464**	(3,851)
(Decrease)/increase in retirement benefit obligations		**(70)**	60
Increase in provision		**89**	38
Decrease in deferred income		**(140)**	(85)
Cash used in operations		**(915)**	(4,209)
Interest income from operating activities		**23,102**	22,669
Income tax paid		**(9,681)**	(6,399)
Net cash flows from operating activities		**12,506**	12,061

Continued/⋯

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Notes	2024 RMB million	2023 RMB million (Restated)
Net cash flows from operating activities		**12,506**	12,061
Cash flows from investing activities			
Purchases of items of property, plant and equipment		**(13,295)**	(14,510)
Purchases of investment properties		**(1)**	(29)
Additions to right-of-use assets		**(671)**	(906)
Purchases of intangible assets		**(13,301)**	(23,505)
Proceeds from disposal of items of property, plant and equipment		**1,244**	1,102
Proceeds from disposal of right-of-use assets		**44**	436
Proceeds from disposal of investment properties		**180**	3
Proceeds from disposal of intangible assets		**90**	28
Business combination	*41(a)*	**(1,007)**	553
Asset acquisition	*41(c)*	**(841)**	–
Investments in associates		**(2,980)**	(5,454)
Investments in joint ventures		**(5,394)**	(6,821)
Disposal of subsidiaries	*42*	**5,559**	5,088
Other changes in scope of consolidation		**(7)**	–
Disposal of joint ventures and associates		**1,892**	750
Purchases of equity investments designated at fair value through other comprehensive income		**(491)**	(1,284)
Purchases of financial assets at fair value through profit or loss		**(15,983)**	(20,869)
Proceeds from disposal of equity investments designated at fair value through other comprehensive income		**1,481**	420
Proceeds from disposal of financial assets at fair value through profit or loss		**13,818**	15,187
Purchases of debt instruments		**(205)**	–
Loans to joint ventures, associates and third parties		**(14,616)**	(17,894)
Repayment of loans from joint ventures, associates and third parties		**6,854**	6,540
Interest received		**372**	308
Changes in time deposits with an initial term of over three months		**2,810**	471
Cash consideration from operation of concession assets		**2,122**	1,420
Dividends received		**2,585**	2,605
Proceeds from other investment activities		**122**	492
Net cash flows used in investing activities		**(29,619)**	(55,869)
Cash flows from financing activities			
Capital contribution from non-controlling shareholders		**5,286**	3,923
Withdrawal of capital contribution by non-controlling interests		**(15,049)**	(2,927)
Dividends paid to non-controlling shareholders		**(734)**	(2,344)
Dividends paid to equity holders of the parent		**(7,042)**	(3,509)
Proceeds from issue of perpetual securities		**31,195**	33,963
Interest paid for perpetual securities		**(4,418)**	(4,922)
Redemption of perpetual securities		**(32,097)**	(31,937)
Proceeds from bank and other borrowings		**464,758**	378,956
Repayments of bank and other borrowings		**(375,628)**	(296,300)
Interest paid for bank and other borrowings		**(22,982)**	(23,054)
Transaction with non-controlling interests		**(86)**	(155)
Stock repurchase		**(8)**	–
Cash paid for business combination under common control		**(31)**	(88)
Increase in an amount due to the ultimate holding company		**83**	522
Principal portion of lease payments		**(1,607)**	(1,796)
Net cash flows from financing activities		**41,640**	50,332
Net increase in cash and cash equivalents		**24,527**	6,524
Cash and cash equivalents at beginning of year	*27*	**110,407**	103,710
Effect of foreign exchange rate changes, net		**40**	173
Subtotal		**134,974**	110,407
Less: held for sale-cash and cash equivalents		**–**	154
Cash and cash equivalents at end of year	*27*	**134,974**	110,253

1. CORPORATE AND GROUP INFORMATION

China Communications Construction Company Limited (the "Company") was established in the People's Republic of China (the "PRC") on 8 October 2006 as a joint stock company with limited liability under the Company Law of the PRC as part of the group reorganisation of China Communications Construction Group (Limited) ("CCCG"), the parent company and a state-owned enterprise established in the PRC. The H shares of the Company were listed on The Stock Exchange of Hong Kong Limited on 15 December 2006 and the A shares of the Company were listed on the Shanghai Stock Exchange on 9 March 2012. The address of the Company's registered office is 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC.

The Company and its subsidiaries (together, the "Group") are principally engaged in infrastructure construction, infrastructure design and dredging businesses.

In the opinion of the directors, the immediate and ultimate holding company of the Company is CCCG, which was established in the PRC.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Type of legal entity	Issued ordinary/ registered share capital *(in million)*	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Unlisted						
China Harbour Engineering Co., Ltd. ("CHEC")	PRC and other regions	Limited liability company	RMB6,000	50.10%	49.90%	Infrastructure construction
China Road and Bridge Corporation ("CRBC")	PRC and other regions	Limited liability company	RMB6,000	99.64%	0.36%	Infrastructure construction
CCCC First Harbour Engineering Co., Ltd.	PRC	Limited liability company	RMB7,295	86.92%	–	Infrastructure construction
CCCC Second Harbour Engineering Co., Ltd.	PRC	Limited liability company	RMB5,329	77.01%	–	Infrastructure construction
CCCC Third Harbour Engineering Co., Ltd.	PRC	Limited liability company	RMB6,021	92.87%	–	Infrastructure construction
CCCC Fourth Harbour Engineering Co., Ltd.	PRC	Limited liability company	RMB4,966	93.11%	–	Infrastructure construction
CCCC First Highway Engineering Group Co., Ltd.	PRC	Limited liability company	RMB7,548	81.26%	–	Infrastructure construction
CCCC Second Highway Engineering Co., Ltd.	PRC	Limited liability company	RMB3,942	76.53%	–	Infrastructure construction
Road & Bridge International Co., Ltd.	PRC	Limited liability company	RMB3,974	74.78%	–	Infrastructure construction
CCCC Third Highway Engineering Co., Ltd.	PRC	Limited liability company	RMB2,156	70.00%	–	Infrastructure construction
CCCC Construction Group Co., Ltd.	PRC	Limited liability company	RMB2,177	80.15%	–	Infrastructure construction
CCCC Water Transportation Consultants Co., Ltd.	PRC	Limited liability company	RMB818	100.00%	–	Infrastructure design
CCCC Highway Engineering Consultants Corporation	PRC	Limited liability company	RMB750	100.00%	–	Infrastructure design

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Name	Place of incorporation/ registration and business	Type of legal entity	Issued ordinary/ registered share capital *(in million)*	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
CCCC First Harbour Consultants Co., Ltd.	PRC	Limited liability company	RMB723	100.00%	–	Infrastructure design
CCCC Second Harbour Consultants Co., Ltd.	PRC	Limited liability company	RMB428	100.00%	–	Infrastructure design
CCCC Third Harbour Consultants Co., Ltd.	PRC	Limited liability company	RMB731	100.00%	–	Infrastructure design
CCCC Fourth Harbour Consultants Co., Ltd.	PRC	Limited liability company	RMB630	100.00%	–	Infrastructure design
CCCC Dredging (Group) Co., Ltd. ("CCCC Dredging")	PRC	Limited liability company	RMB11,775	99.90%	0.10%	Dredging
CCCC Investment Co., Ltd.	PRC	Limited liability company	RMB12,500	100.00%	–	Investment holding
CCCC Xi'an Road Construction Machinery Co., Ltd.	PRC	Limited liability company	RMB433	54.31%	45.69%	Manufacture of road construction machinery
China Highway Vehicle & Machinery Co., Ltd.	PRC	Limited liability company	RMB168	100.00%	–	Trading of motor vehicle spare parts
Chuwa Bussan Co., Ltd. ("Chuwa Bussan")	Japan	Limited liability company	JPY100	99.94%	–	Trading of machinery
CCCC Shanghai Equipment Engineering Co., Ltd.	PRC	Limited liability company	RMB10	55.00%	–	Maintenance and design of port machinery
CCCC Mechanical & Electrical Engineering Co., Ltd.	PRC	Limited liability company	RMB833	60.00%	40.00%	Infrastructure construction
China Communications Materials & Equipment Co., Ltd.	PRC	Limited liability company	RMB1,734	100.00%	–	Trading of construction materials and equipment
CCCC Finance	PRC	Limited liability company	RMB7,000	95.00%	–	Financial services
CCCC International Holding Limited ("CCCI")	Hong Kong	Limited liability company	HK$2,372	50.98%	49.02%	Investment holding
CCCC Capital Holdings Limited ("CCCC Capital")	PRC	Limited liability company	RMB10,000	100.00%	–	Fund management and financial leasing
CCCC Urban Investment Holding Co., Ltd.	PRC	Limited liability company	RMB10,000	91.94%	–	Investment holding

Continued/…

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Name	Place of incorporation/ registration and business	Type of legal entity	Issued ordinary/ registered share capital *(in million)*	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
CCCC Tianhe Machinery and Equipment Manufacturing Co., Ltd	PRC	Limited liability company	RMB1,277	88.26%	11.74%	Machinery and equipment manufacturing
CCCC Changjiang Construction and Development Group Co., Ltd.	PRC	Limited liability company	RMB2,667	41.24%	33.74%	Infrastructure design
CCCC South China Construction and Development Co., Ltd.	PRC	Limited liability company	RMB623	100.00%	–	Infrastructure construction
CCCC Design Consulting Group Co., Ltd.	PRC	Limited liability company	RMB2,295	49.13%	–	Infrastructure design
Gansu Qilianshan Cement Group Co., Ltd.	PRC	Limited liability company	RMB1,200	85.00%	–	Cement sales
CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd	PRC	Limited liability company	RMB4,850	45.00%	6.00%	Infrastructure construction
Forsea Holdings PTE. Ltd.	Singapore	Limited liability company	SGD0.30	100%	–	Infrastructure construction

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial assets and liabilities (including derivative financial instruments) which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.5. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest million except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Going concern

The Group had net current liabilities of RMB79,883 million as at 31 December 2024. Having considered the Group's cash flow projections for the year ending 31 December 2025, including the Group's cash position, cash flows from operating, investing and financing activities, and the unutilised bank facilities as at the date of this report, the directors of the Company are satisfied that the Group is able to meet its financial obligations in full as they fall due for the coming 12 months. Accordingly, these financial statements have been prepared on a going concern basis.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")*
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*
Amendments to IAS 7 and IFRS 7	*Deferred Tax related to Assets and Liabilities arising from a Supplier Finance Arrangements*

The nature and the impact of the revised IFRS Accounting Standards are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have a significant impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have a significant impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have significant supplier finance arrangements, the amendments did not have a significant impact on the consolidated financial statements.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Prior period restatement

During the year, the Group obtained control over China Communications Construction (Xiamen) E-commerce Co., Ltd. through a capital increase. In the same year, the Group acquired China Zhibao Investment Co., Ltd. from China Real Estate Development Group Co., Ltd. Since the subsidiaries and the Group are both under common control of CCCG before and after the acquisition, the acquisitions constitute a business combination under common control, which is mentioned in note 41(b) to the financial statements.

Business combinations arising from transfers of interests in entities that are under the control of the ultimate shareholder that controls the Group are accounted for as if the acquisitions had occurred at the beginning of the earliest date presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the acquired entities' financial statements.

Restated consolidated statement of comprehensive income for the year ended 31 December 2023:

	Before restatement *RMB million*	**Effect of business combinations under common control** *RMB million*	**After restatement** *RMB million*
Profit for the year	31,141	12	31,153
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	637	–	637
Net other comprehensive losses that will not be reclassified to profit or loss in subsequent periods	(2,736)	–	(2,736)
Total comprehensive income for the year	29,042	12	29,054
Attributable to:			
Owners of the parent	22,618	5	22,623
Non-controlling interests	6,424	7	6,431

Restated consolidated statement of financial position as at 31 December 2023:

	Before restatement *RMB million*	**Effect of business combinations under common control** *RMB million*	**After restatement** *RMB million*
Total non-current assets	998,122	18	998,140
Total current assets	686,140	132	686,272
Total current liabilities	762,181	74	762,255
Total non-current liabilities	462,957	–	462,957
Equity attributable to owners of the parent	301,734	33	301,767
Non-controlling interests	157,390	43	157,433
Total equity	459,124	76	459,200

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Issued but not yet effective IFRS Accounting Standards

The Group has not applied the following new and revised IFRS Accounting Standards, which have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IAS 21	*Lack of Exchangeability*[1]
Annual Improvements to IFRS Accounting Standards – Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*[2]

[1] Effective for annual periods beginning on or after 1 January 2025
[2] Effective for annual periods beginning on or after 1 January 2026
[3] Effective for annual/reporting periods beginning on or after 1 January 2027
[4] No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below:

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. Earlier application is permitted.

Amendments to IFRS 9 and IFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Issued but not yet effective IFRS Accounting Standards (continued)

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application, Earlier application is permitted, the amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation are accounted for in accordance with the IFRS Accounting Standards applicable to the particular assets, liabilities, revenues and expenses.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method, except for those acquisitions which are considered as a business combination under common control in a manner similar to pooling-of-interest.

Merger accounting for common control combinations

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the ultimate controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the ultimate controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of the acquirer's interest in the net fair value of the acquiree identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the ultimate controlling party's interest.

The consolidated statement of profit or loss includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the end of the prior reporting period or when they first came under common control, whichever is shorter.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders and costs incurred in combining operations of the previously separate businesses and incurred in relation to the common control combination that is to be accounted for by using merger accounting, are recognised as expenses in the year in which they are incurred.

Acquisition method of accounting for non-common control combinations

The Group applies the acquisition method to account for non-common control business combinations. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Business combinations and goodwill (continued)

Acquisition method of accounting for non-common control combinations (continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its derivative financial instruments, equity investments and certain other financial assets at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

  (iii) the entity and the Group are joint ventures of the same third party;

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

  (vi) the entity is controlled or jointly controlled by a person identified in (a);

  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

  (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives used for this purpose are as follows:

– Buildings	20 to 40 years
– Machinery	5 to 20 years
– Vessels	10 to 25 years
– Vehicles	5 years
– Other equipment	2 to 5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment, investment properties and intangible assets when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated using the straight-line method to write off the cost less accumulated impairment loss of the asset over its estimated useful life.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Concession assets

The Group is engaged in certain service concession arrangements in which the Group carries out construction work (e.g., toll highways, bridges and ports) in exchange for a right for the Group to operate the asset concerned in accordance with pre-established conditions set by the granting authority. In accordance with IFRIC Interpretation 12 *Service Concession Arrangements* (IFRIC 12), the assets under the concession arrangements may be classified as intangible assets or financial assets. The assets are classified as intangibles if the operator receives a right (a licence) to charge users of the public service or as financial assets if the operator has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. The Group classifies the non-current assets linked to the long-term investment in these concession arrangements as "concession assets" within intangible assets on the statement of financial position if the intangible asset model is adopted. Such concession assets represent the consideration received for its construction service rendered. Once the underlying infrastructure of the concession arrangements is completed, the concession assets are amortised over the term of the concession using the traffic flow method or straight-line method under the intangible asset model.

Trademarks, patents, proprietary technologies and copyrights

Separately acquired trademarks, patents, proprietary technologies and copyrights are shown at historical cost. Trademarks, patents, proprietary technologies and copyrights acquired in a business combination are recognised at fair value at the acquisition date. Trademarks, patents, proprietary technologies and copyrights have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives.

Computer software

Computer software is measured on initial recognition cost and amortised over the estimated useful life of 1 to 10 years.

Research and development costs

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products, commencing from the date when the products are put into commercial production.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	20 years to indefinite
Buildings	1 to 10 years
Vessels	1 to 25 years
Vehicles	2 to 3 years
Machinery	1 to 5 years
Other equipment	1 to 3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When the right-of-use assets relate to interests in leasehold land held as inventories, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for "inventories". When a right-of-use asset meets the definition of investment property, it is included in investment properties.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing bank and other borrowings.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for leases of low-value assets to leases of value below RMB50,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Leases (continued)

Group as a lessee (continued)

Sale and leaseback transactions with variable lease payments that do not depend on an index or a rate where the Group acts as a seller-lessee. For sale and leaseback transactions with variable lease payments that do not depend on an index or a rate, lease liabilities are recognised at the commencement date of the leasebacks at the present value of expected lease payments to be made over the lease term. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the expected lease payments. Any differences between the payments made for the lease and the lease payments that reduce the carrying amount of lease liabilities are recognised in profit or loss.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, are accounted for as finance leases.

At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs) and presented as a receivable at an amount equal to the net investment in the lease. The finance income of such leases is recognised in the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

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

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Impairment of financial assets (continued)

General approach (continued)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group consider that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, derivative financial instruments and interest-bearing bank and other borrowings.

The Group classifies financial liabilities that arise from a supplier finance arrangement within trade and bills payables in the statement of financial position if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in trade and bills payables in the statement of financial position are included in operating activities in the statement of cash flows. Otherwise, the financial liabilities are classified in interest-bearing bank and other borrowings in the statement of financial position and the related cash flows are included in financing activities in the statement of cash flows.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, total return swaps, forward equity contracts and foreign exchange option. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Derivative financial instruments and hedge accounting (continued)

Initial recognition and subsequent measurement (continued)

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument.
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

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

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the statement of profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the statement of profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the statement of profit or loss as a reclassification adjustment. After the discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

Financial instruments classified as equity

Financial instruments issued by the Group are classified as equity instruments when all the following conditions have been met:

- The financial instruments have no contractual obligation to pay cash or other financial assets to others, nor to exchange financial assets or liabilities with others under potential unfavourable circumstances;
- The financial instruments will or may be settled in the Group's own equity instruments: if the financial instrument is non-derivative, it should not have the contractual obligation to be settled by the Group delivering a variable number of its own equity instruments; if the financial instrument is derivative, it should solely be settled by the Group delivering a fixed number of its own equity instruments in exchange for a fixed amount of cash or other financial assets.

Financial instruments classified as equity instruments are recognised initially at fair value, net of transaction costs incurred.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories comprise raw materials, work in progress, properties under development, completed properties held for sale and finished goods. Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour, other direct costs and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Development cost of properties comprises cost of land use rights, construction costs and borrowing costs eligible for capitalisation incurred during the construction period. Upon completion, the properties are transferred to completed properties held for sale. Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion. Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

Cash and cash equivalents

Cash and cash equivalents Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties in relation to the provision of construction services during the warranty period. Provision for these assurance-type warranties granted by the Group is initially recognised based on the best estimates of the Group, discounted to their present values as appropriate.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Income tax (continued)

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognised for the Pillar Two income taxes.

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Construction services

Revenue from the provision of infrastructure construction services is recognised over time, using an input method to measure progress toward satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

Claims to customers are amounts that the Group seeks to collect from the customers as reimbursement of costs and margins for scope of works not included in the original construction contract. Claims are accounted for as variable consideration and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group uses the most likely amount or the expected value method to estimate the amounts of claims, whichever more appropriate, to best predict the amount of variable consideration to which the Group will be entitled.

(b) Provision of design and other services

Revenue from the provision of infrastructure design and other services is recognised over time, using an input method to measure progress toward satisfaction of the service, because the Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

(c) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(d) Significant financing component

For contracts that include a significant financing component, the Group adjusts the promised amount of consideration for the effects of a significant financing component and recognise revenue as the "cash selling price" of the underlying goods or services at the time of transfer. The "cash selling price" is generated by discounting the promised amount of consideration using the effective interest rate. The Group selects to use the practical expedient that it will not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

(e) Warranties

As required by law or agreed in the contract terms, the Group provides assurance-type warranties that promise the customers that the assets created in the construction services are as specified in the construction contracts. The Group recognises such assurance-type warranties as provisions. For the warranties that include services to customers in addition to assurance that the assets created are as specified in the contracts, the Group identifies such service-type warranties as separate performance obligations and allocates the transaction prices between the construction services and service-type warranties using the proportion of their stand-alone selling prices. The Group recognises the revenue of service-type warranties when customers obtain control of the services. In assessing whether a warranty includes a service to the customer in addition to the assurance that the asset created in the construction services complies with the agreed specifications, the Group considers factors including whether the warranty is required by law, the length of the warranty coverage period, and the nature of the tasks that the entity promises to perform.

(f) Principal versus agent

The Group determines whether it is a principal or an agent in the transactions by evaluating whether it controls each specified good or service before that good or service is transferred to the customer. The Group is a principal and recognises revenue in the gross amount of consideration received or receivable if it controls the specified good or service before that good or service is transferred to a customer. Otherwise, the Group is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party, or is determined by certain agreed amounts or proportions.

(g) Contract modifications

When the construction contract between the Group and the customers is modified:

(i) if the creation of new construction service and contract price are separately identified, and the new contract price reflects the separate selling price of the new construction service, the Group will treat the contract modification as a separate contract for accounting;

(ii) if the contract modification does not belong to the above situation (i), and there is a clear distinction between transferred construction services and non-transferred construction services at the date of contract modification, the Group will regard it as the termination of the original contract. Meanwhile, the unperformed part of the original contract and the part of contract modification will be merged into a new contract for accounting;

(iii) if the contract does not belong to the above situation (i), and there is no clear distinction between transferred construction services and non-transferred construction services at the date of contract modification, the Group will treat the part of modification as the component of original contract for accounting. The effect that the contract modification has on the transaction price is recognised as an adjustment to revenue at the date of the contract modification.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Revenue recognition (continued)

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Offsetting of contract assets and contract liabilities

Contract assets and contract liabilities are offset and the net amount is reported in the statement of financial position if they belong to the same contract.

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset related. Other contract costs are expensed as incurred.

Share-based payments

The Company operates a share scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by the quoted price on the grant date in the active market, further details of which are given in note 35 to the financial statements.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Share-based payments (continued)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding scheme is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

(a) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the terms of the related pension obligations.

Past-service costs are recognised immediately in the consolidated statement of profit or loss.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Other employee benefits (continued)

(a) Pension obligations (continued)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the consolidated statement of profit or loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

For defined contribution plans, the full-time employees of the Group in the PRC excluding Hong Kong and Macau ("Mainland China") are covered by government-sponsored or privately administered pension plans under which the employees are entitled to a monthly pension based on certain formula. The Group pays contributions to these pension plans monthly, on a mandatory or contractual basis. The Group has no further payment obligations once the contributions have been made. The contributions are recognised as employee benefit expense as incurred.

In addition, the Group participates in various defined contribution retirement schemes for its qualified employees in certain countries or jurisdictions outside Mainland China. Employees' and employers' contributions are calculated based on various percentages of employees' gross salaries of fixed sums and length of service.

(b) Other post-employment obligations

The Group provides post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(d) Housing funds

All full-time employees of the Group in Mainland China are entitled to participate in various government sponsored housing funds. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees. The Group's liability in respect of these funds is limited to the contributions payable in each period.

(e) Bonus entitlements

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Material accounting policies (continued)

Foreign currencies (continued)

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

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

Measurement of progress toward complete satisfaction of construction services

The Group uses input method to measure the progress toward satisfaction of the performance obligations, and specifically, the proportion of actual construction costs incurred relative to the estimated total costs. Actual construction costs incurred include direct and indirect costs in the process of transferring goods from the Group to customers. The Group believes that contract price is based on construction costs. Therefore, the proportion of actual construction costs incurred relative to the total expected costs can reflect the progress toward satisfaction of construction service. Since the duration of construction is relatively long that it may cover more than one accounting period, the Group will review and revise the budget as the contract carries forward, and adjust revenue accordingly.

Business model

The classification of financial assets upon initial recognition depends on the business model of the Group for managing financial assets. In judging the business model, the Group considers the way of internal evaluating and reporting to key management personnel the performance of financial assets, the risks affecting the performance of financial assets and the way those risks are managed, as well as the way in which relevant business management personnel are compensated. In determining whether cash flows are going to be realised by collecting the financial assets' contractual cash flows, the Group needs to consider the frequency, value and timing of sales before the maturity dates if any.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (continued)

Contractual cash flow characteristics

The classification of financial assets upon initial recognition depends on the contractual cash flow characteristics of financial assets. It is necessary to judge whether the contractual terms only give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, whether there are significant differences compared with the benchmark cash flow when evaluating the correction of the time value of money, and whether the fair value of the prepayment feature is insignificant for financial assets that include prepayment feature, etc.

Determination of control over structured entities

The Group invested in several structured entities which were mainly engaged in infrastructure investment activities. Based on the assessment following the basis of consolidation and accounting policies set out in notes 2.1 and 2.5 respectively, the Group has consolidated certain structured entities that it has control. For the investments that the Group has joint control on, they are accounted for as joint ventures in accordance with IAS 28 *Investments in Associates and Joint Ventures*. Equities held indirectly through venture capital organisations, or mutual funds, unit trusts and similar entities including investment-linked insurance funds are accounted for as financial assets at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments*. Judgement is involved when performing the assessment. Should those joint ventures and financial assets through profit or loss be consolidated, net assets, revenue and profit of the Group could be affected.

Management applies its judgement to determine whether the control indicators set out in note 2.1 indicate that the Group controls a structured entity.

The Group acts as manager to a number of structured entities and also carries interests in these entities. Determining whether the Group controls such a structured entity usually focuses on the assessment of the aggregate economic interests of the Group in the entity (comprising any carried interest and expected management fees) and the decision-making authority of the entity.

Further disclosure in respect of unconsolidated structured entities in which the Group has an interest has been set out in note 22.

Financial instruments classified as equity

Certain financial instruments of the Group, such as preference shares, are classified as equity, as the following conditions have been met:

(i) The financial instruments have no contractual obligation to pay cash or other financial assets to others, nor to exchange financial assets or liabilities with others under potential unfavourable circumstances; and

(ii) For the financial instruments that will or may be settled in the Group's own equity instruments: if the financial instrument is non-derivative, it should not have the contractual obligation to be settled by the Group delivering a variable number of its own equity instruments; if the financial instrument is derivative, it should solely be settled by the Group delivering a fixed number of its own equity instruments in exchange for a fixed amount of cash or other financial assets.

Further details are disclosed in notes 36.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (continued)

Determining whether an arrangement contains a lease

The Group entered into general equipment lease arrangements in some construction projects. According to these lease arrangements, there is no identified asset, or the supplier has substantive substitution rights for the general equipment. Thus, these general equipment lease arrangements do not contain a lease, and the Group take them as service acceptance.

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not the option to renew or to terminate the lease (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for lease assets due to the significance of these assets to its operations. These leases have a short non-cancellable period and there will be a significant negative effect on operation if a replacement is not readily available.

Deferred tax assets

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

The Group has tax losses of RMB26,198 million (2023: RMB27,710 million) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB5,449 million. Further details on deferred taxes are disclosed in note 31 to the financial statements.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment assessment on concession assets

The Group operates certain concession assets, and their impairment is reviewed whenever events or changes in circumstances indicate that the carrying amounts of the concession assets may not be recoverable in accordance with the accounting policy stated in note 2.5.

The recoverable amounts of the concession assets have been determined based on a value-in-use method. The value-in-use calculations require the use of estimates on discount rates and projections of cash flows from the traffic volume and other income, deducting the necessary maintenance and operating costs incurred for the concession assets.

Based on management's best estimates, as at 31 December 2024, the Group recognized an accumulated impairment of RMB299 million (2023: RMB299 million) to profit or loss for concession assets. Further details are disclosed in note 17.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Fair value of financial instruments

The fair values of listed financial instruments are based on quoted market prices, while the fair values of unlisted financial instruments have been estimated by the most appropriate valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Further details are included in note 47 to the financial statements.

Impairment of goodwill

The Group tests the goodwill for impairment at least annually. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, an impairment loss may arise.

Based on management's best estimates, as at 31 December 2024, the Group recognised an accumulated impairment of RMB296 million (2023: RMB296 million) to profit or loss for goodwill. Details of the impairment test for goodwill are disclosed in note 17.

Provision for ECLs on contract assets, trade receivables and long-term receivables

The Group uses a provision matrix to calculate ECLs of the Group's contract assets, trade receivables and long-term receivables. The provision rates are based on the ageing or the days past due for groupings of various customer segments that have similar loss patterns (i.e., by product or service type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's contract assets, trade receivables and long-term receivables is disclosed in note 24 and note 25 to the financial statements.

Infrastructure construction and design services

The recognition of revenue and cost of infrastructure construction and design services requires the management of the Group to make judgements and estimations. For onerous contracts, the present obligation under the contract must be recognised in the current period and measured as provisions, based on the estimated budgets and losses of the construction services. Because of the nature of the activity undertaken in construction, design and dredging businesses, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting periods. The Group reviews and revises the estimates of both contract revenue and contract costs in each contract budget as the contract progresses.

The Group also monitors the payment progress from customers against the contract terms, and periodically evaluates the creditworthiness of the customers. If circumstances arise that a customer would default on all or part of its payments or otherwise fail to fulfil its performance obligations under the contract terms, the Group will reassess the outcome of the relevant contract and may revise the relevant estimates. The revision will be reflected in the consolidated statement of profit or loss in the period in which the circumstances that give rise to the revision become known by the Group.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Income taxes

The Group is subject to income taxes in the PRC and other jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made.

Pension benefits

The present value of the defined benefit pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The Group determines the appropriate discount rate at the end of each year. In determining the appropriate discount rate, the Group considers the interest rates of government bonds that are denominated in the currencies in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. The key assumptions for pension obligations and sensitivity analysis of the discount rate are disclosed in note 32.

Depreciation of property, plant and equipment

Depreciation on the Group's property, plant and equipment is calculated using the straight-line method to allocate cost up to residual values over the estimated useful lives of the assets. Management reviews the useful lives and residual values periodically to ensure that the method and rates of depreciation are consistent with the expected pattern of realisation of economic benefits from property, plant and equipment. The accounting estimate of the useful lives of property, plant and equipment is based on historical experience, taking into account anticipated technological changes. When the useful lives differ from the original estimated useful lives, management will adjust the estimated useful lives accordingly. It is possible that actual outcomes in the next financial period are different from estimates made based on historical experience, and it could cause a material adjustment to the depreciation and carrying amount of the Group's property, plant and equipment. Further details are disclosed in note 14.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4. OPERATING SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the President Office that are used to allocate resources to the operating segments and assess their performance.

The President Office considers the business from the service and product perspectives. Management assesses the performance of the following four operating segments:

(a) infrastructure construction of ports, roads, bridges and railways, municipal and environmental engineering and others (the "Construction")

(b) infrastructure design of ports, roads, bridges, railways and others (the "Design")

(c) dredging (the "Dredging")

(d) others

The President Office assesses the performance of the operating segments based on operating profit excluding unallocated income or costs. Other information provided to the President Office is measured in a manner consistent with that in the consolidated financial statements.

Sales between operating segments are carried out on terms with reference to the selling prices used for sales made to third parties. The revenue from external parties reported to the President Office is measured in a manner consistent with that in the consolidated statement of profit or loss.

Operating expenses of a functional unit are allocated to the relevant operating segment which is the predominant user of the services provided by the unit. Operating expenses of shared services which cannot be allocated to a specific operating segment and corporate expenses are included as unallocated costs.

Segment assets consist primarily of property, plant and equipment, investment properties, right-of-use assets, intangible assets, inventories, receivables, contract assets, equity investments designated at fair value through other comprehensive income, debt investments at amortised cost, financial assets at fair value through profit or loss, derivative financial instruments, and cash and cash equivalents. They exclude deferred tax assets, investments in joint ventures and associates, the assets of the headquarters of the Company and the assets of CCCC Finance, a subsidiary of the Company.

Segment liabilities comprise primarily payables, derivative financial instruments, and contract liabilities. They exclude deferred tax liabilities, tax payable, borrowings, the liabilities of the headquarters of the Company and the liabilities of CCCC Finance.

Capital expenditure comprises mainly additions to property, plant and equipment (note 14), investment properties (note 15), right-of-use assets (note 16(a)) and intangible assets (note 17).

4. OPERATING SEGMENT INFORMATION (CONTINUED)

The segment results for the year ended 31 December 2024 and other segment information included in the consolidated financial statements are as follows:

	Year ended 31 December 2024					
	Construction *RMB million*	Design *RMB million*	Dredging *RMB million*	Others *RMB million*	Eliminations *RMB million*	Total *RMB million*
Total gross segment revenue	682,603	36,287	59,461	26,064	(36,172)	768,243
Intersegment sales	(9,411)	(4,321)	(4,064)	(18,376)	36,172	–
Revenue *(note 5)*	673,192	31,966	55,397	7,688	–	768,243
Segment results	32,942	3,583	3,105	1,022	46	40,698
Unallocated loss						(1,391)
Operating profit						39,307
Finance income						24,241
Finance costs, net						(24,038)
Share of profits and losses of joint ventures and associates						(2,347)
Profit before tax						37,163
Income tax expense						(6,344)
Profit for the year						30,819
Other segment information						
Depreciation	6,990	452	1,097	1,452	–	9,991
Amortisation	3,317	42	13	36	–	3,408
Write-down of inventories	786	–	–	4	–	790
Impairment of property, plant and equipment	2	–	28	–	–	30
Impairment losses on contract assets	813	40	54	2	–	909
Impairment losses on financial assets	4,617	704	461	350	–	6,132
Capital expenditure	25,639	1,078	2,569	1,465	–	30,751

4. OPERATING SEGMENT INFORMATION (CONTINUED)

The segment results for the year ended 31 December 2023 and other segment information included in the consolidated financial statements are as follows:

	Year ended 31 December 2023					
	Construction	Design	Dredging	Others	Eliminations	Total
	RMB million	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*
Total gross segment revenue	667,802	47,302	53,506	19,369	(32,292)	755,687
Intersegment sales	(9,884)	(6,673)	(353)	(15,382)	32,292	–
Revenue *(note 5)*	657,918	40,629	53,153	3,987	–	755,687
Segment results	34,061	3,660	2,505	228	18	40,472
Unallocated loss						(1,498)
Operating profit						38,974
Finance income						23,898
Finance costs, net						(24,311)
Share of profits and losses of joint ventures and associates						(1,009)
Profit before tax						37,552
Income tax expense						(6,399)
Profit for the year						31,153
Other segment information						
Depreciation	7,256	457	1,295	761	–	9,769
Amortisation	3,130	117	27	11	–	3,285
Write-down of inventories	209	–	–	45	–	254
Impairment of property, plant and equipment	5	–	–	–	–	5
Impairment of intangible assets	–	–	–	196	–	196
Impairment of investments in joint ventures	248	–	–	–	–	248
Impairment losses on contract assets	944	23	40	1	–	1,008
Impairment losses on financial assets	4,835	1,063	763	232	–	6,893
Capital expenditure	37,741	1,319	2,737	1,101	–	42,898

The amounts provided to the President Office with respect to total assets and total liabilities are measured in a manner consistent with that of the consolidated financial statements. These assets and liabilities are presented based on the operating segments they are associated with.

4. OPERATING SEGMENT INFORMATION (CONTINUED)

The segment assets and liabilities as at 31 December 2024 are as follows:

	As at 31 December 2024					
	Construction *RMB million*	**Design** *RMB million*	**Dredging** *RMB million*	**Others** *RMB million*	**Eliminations** *RMB million*	**Total** *RMB million*
Segment assets	**1,387,493**	**70,407**	**145,244**	**129,782**	**(122,485)**	**1,610,441**
Investments in joint ventures						**59,978**
Investments in associates						**54,394**
Other unallocated assets						**133,459**
Total assets						**1,858,272**
Segment liabilities	**602,660**	**35,907**	**76,147**	**17,535**	**(64,889)**	**667,360**
Unallocated liabilities						**723,097**
Total liabilities						**1,390,457**

The segment assets and liabilities as at 31 December 2023 are as follows:

	As at 31 December 2023					
	Construction *RMB million*	Design *RMB million*	Dredging *RMB million*	Others *RMB million*	Eliminations *RMB million*	Total *RMB million*
Segment assets	1,282,412	74,277	130,097	117,065	(81,021)	1,522,830
Investments in joint ventures						59,671
Investments in associates						53,801
Other unallocated assets						48,110
Total assets						1,684,412
Segment liabilities	566,716	41,151	65,426	15,283	(48,732)	639,844
Unallocated liabilities						585,368
Total liabilities						1,225,212

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

(a) Revenue from external customers

	2024 RMB million	2023 RMB million
Mainland China	**633,463**	639,751
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and Southeast Asia)	**134,780**	115,936
Total Revenue	**768,243**	755,687

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2024 RMB million	2023 RMB million
Mainland China	**270,288**	269,116
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and Southeast Asia)	**50,154**	49,002
Total non-current assets	**320,442**	318,118

The non-current asset information above is based on the locations of the assets and excludes financial assets, investments in joint ventures and associates, deferred tax assets and contract assets.

Information about a major customer

No revenue derived from services or sales to a single customer amounted to 10% or more of the Group's revenue during 2024 and 2023.

5. REVENUE, OTHER INCOME AND OTHER LOSSES, NET

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2024

Segments	Construction *RMB million*	Design *RMB million*	Dredging *RMB million*	Others *RMB million*	Total *RMB million*
Type of goods or services					
Infrastructure construction services	643,650	14,701	10,165	429	668,945
Infrastructure design services	2,101	16,648	633	–	19,382
Dredging and filling services	–	–	40,858	–	40,858
Others	27,441	617	3,741	7,259	39,058
Total	673,192	31,966	55,397	7,688	768,243
Geographical markets					
Mainland China	548,509	30,667	46,922	7,365	633,463
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and Southeast Asia)	124,683	1,299	8,475	323	134,780
Total	673,192	31,966	55,397	7,688	768,243
Timing of revenue recognition					
Services transferred over time	645,750	31,650	52,206	429	730,035
Services transferred at a point in time	6,757	–	–	–	6,757
Merchandise transferred at a point in time	20,685	316	3,191	7,259	31,451
Total	673,192	31,966	55,397	7,688	768,243

5. REVENUE, OTHER INCOME AND OTHER LOSSES, NET (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

For the year ended 31 December 2023

Segments	Construction *RMB million*	Design *RMB million*	Dredging *RMB million*	Others *RMB million*	Total *RMB million*
Type of goods or services					
Infrastructure construction services	632,137	21,277	7,273	297	660,984
Infrastructure design services	1,403	18,548	617	–	20,568
Dredging and filling services	–	–	41,580	–	41,580
Others	24,378	804	3,683	3,690	32,555
Total	657,918	40,629	53,153	3,987	755,687
Geographical markets					
Mainland China	550,081	38,761	47,034	3,875	639,751
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and Southeast Asia)	107,837	1,868	6,119	112	115,936
Total	657,918	40,629	53,153	3,987	755,687
Timing of revenue recognition					
Services transferred over time	633,532	40,580	49,473	297	723,882
Services transferred at a point in time	8,171	–	–	–	8,171
Merchandise transferred at a point in time	16,215	49	3,680	3,690	23,634
Total	657,918	40,629	53,153	3,987	755,687

5. REVENUE, OTHER INCOME AND OTHER LOSSES, NET (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the year ended 31 December 2024

Segments	**Construction** *RMB million*	**Design** *RMB million*	**Dredging** *RMB million*	**Others** *RMB million*	**Total** *RMB million*
Revenue from contracts with customers					
External customers	**673,192**	**31,966**	**55,397**	**7,688**	**768,243**
Intersegment sales	**9,411**	**4,321**	**4,064**	**18,376**	**36,172**
Intersegment adjustments and eliminations	**(9,411)**	**(4,321)**	**(4,064)**	**(18,376)**	**(36,172)**
Total	**673,192**	**31,966**	**55,397**	**7,688**	**768,243**

For the year ended 31 December 2023

Segments	Construction *RMB million*	Design *RMB million*	Dredging *RMB million*	Others *RMB million*	Total *RMB million*
Revenue from contracts with customers					
External customers	657,918	40,629	53,153	3,987	755,687
Intersegment sales	9,884	6,673	353	15,382	32,292
Intersegment adjustments and eliminations	(9,884)	(6,673)	(353)	(15,382)	(32,292)
Total	657,918	40,629	53,153	3,987	755,687

5. REVENUE, OTHER INCOME AND OTHER LOSSES, NET (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period.

	2024 ***RMB Million***	2023 *RMB million*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Construction	**24,049**	23,666
Design	**1,977**	1,841
Dredging	**1,558**	999
Others	**434**	868
Total	**28,018**	27,374

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Construction, design and dredging services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 90 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over the period stipulated in the contracts.

Others

Others mainly include sale of goods. The performance obligation is satisfied upon delivery of the goods and payments are generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

The remaining performance obligations of those uncompleted contracts expected to be recognised relate to construction, design, dredging services and others that are to be satisfied within 1 to 5 years.

5. REVENUE, OTHER INCOME AND OTHER LOSSES, NET (CONTINUED)

Other income

	2024 RMB million	2023 RMB million
Rental income	1,272	963
Revenue from consulting services	696	659
Dividend income from equity investments designated at fair value through other comprehensive income		
– Listed equity instruments	1,041	850
– Unlisted equity instruments	32	23
Government grants	538	618
Dividend income from financial assets at fair value through profit or loss	337	284
Income from sale of scraps	646	513
Interest income on debt investments at amortised cost	196	169
Others	1,481	1,494
Total other income	6,239	5,573

Other losses , net

	2024 RMB million	2023 RMB million
Gains on disposal of items of property, plant and equipment	179	61
Gains on disposal of items of intangible assets and other long-term assets	128	450
Gains on disposal of subsidiaries *(note 42(ii))*	2,219	518
Gains on disposal of joint ventures and associates	273	7
Fair value (losses)/gains, net:		
– Financial assets at fair value through profit or loss	(1,084)	(770)
– Derivative financial instruments – transactions not qualifying as hedges	7	(278)
Foreign exchange difference, net	510	1,550
(Losses)/gains on disposal of financial assets at fair value through profit or loss	(10)	10
Losses on derecognition of financial assets at amortised cost	(3,221)	(1,873)
Losses from business combinations achieved in stages	(79)	–
Losses on disposal of investment properties	(6)	–
Total other losses, net	(1,084)	(325)

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Notes	2024 RMB million	2023 RMB million
Raw materials and consumables used*		**223,914**	230,060
Cost of goods sold		**15,646**	11,528
Subcontracting costs		**311,462**	303,466
Employee benefit expenses*:			
– Salaries, wages and bonuses		**36,950**	37,938
– Pension costs – defined contribution plans		**6,478**	5,957
– defined benefit plans		**32**	29
– Housing benefits		**3,285**	3,154
– Welfare, medical and other expenses		**17,398**	17,449
Total		**64,143**	64,527
Equipment and plant usage costs		**17,692**	16,705
Lease payments not included in the measurement of lease liabilities	*16(c)*	**2,535**	1,799
Business tax and other taxes		**2,119**	1,912
Fuel		**3,564**	3,866
Utilities		**2,250**	2,153
Maintenance costs		**2,408**	2,481
Research and development costs (including raw materials and consumables used, employee benefit expenses, depreciation and amortisation)		**25,998**	27,318
Depreciation of property, plant and equipment*	*14*	**7,898**	7,871
Depreciation of investment properties*	*15*	**326**	464
Depreciation of right-of-use assets*	*16(a)*	**1,767**	1,434
Amortisation of intangible assets*	*17*	**3,408**	3,285
Auditors' remuneration		**28**	28
Write-down of inventories to net realisable value		**790**	254
Impairment losses on financial assets, net	*25*	**6,132**	6,893
Impairment losses on contract assets, net	*24*	**909**	1,008

* The raw materials and consumables used, the employee benefit expenses, and the depreciation and amortisation for the year charged for research and development activities are also included in the item of "Research and development costs".

7. FINANCE INCOME

	2024 RMB million	2023 RMB million
Interest income from:		
– Bank deposits	**922**	1,257
– Deposits in The People's Bank of China and interbank placement	**457**	318
– Contract assets and receivables from Public-Private-Partnership("PPP") contracts and primary land development contracts	**15,388**	14,842
– Loan receivables	**5,353**	5,166
– Others	**2,121**	2,315
Total	**24,241**	23,898

8. FINANCE COSTS, NET

An analysis of finance costs is as follows:

	2024 RMB million	2023 RMB million
Interests on:		
– Bank borrowings	**20,779**	21,254
– Other borrowings	**152**	215
– Corporate bonds	**873**	812
– Debentures	**679**	670
– Non-public debt instruments	**606**	467
– Lease liabilities	**200**	232
Subtotal	**23,289**	23,650
Less: Interest capitalised	**1,287**	1,841
Net interest expense	**22,002**	21,809
Foreign exchange difference on borrowings, net	**(85)**	437
Others	**2,121**	2,065
Total	**24,038**	24,311

Borrowing costs directly attributable to the construction and acquisition of qualifying assets were capitalised as part of the costs of those assets. A weighted average capitalisation rate of 2.91% (2023: 3.74%) per annum was used, representing the comprehensive cost rate of the borrowings used to finance the qualifying assets.

Interest capitalised during the year was as follows:

	2024 RMB million	2023 RMB million
Inventories	**718**	691
Concession assets	**395**	994
Construction in progress	**174**	156
	1,287	1,841

9. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Fees	**465**	257
Other emoluments:		
Salaries, allowances and benefits in kind	**2,493**	2,066
Performance related bonuses	**3,163**	3,021
Pension scheme contributions	**396**	399
Subtotal	**6,052**	5,486
Total fees and other emoluments	**6,517**	5,743

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2024	2023
	RMB'000	*RMB'000*
Mr. Liu Hui	**80**	55
Mr. Chan Wing Tak Kevin	**225**	92
Mr. Zhou Xiaowen	**80**	55
Mr. Wu Guangqi	**80**	55
Total	**465**	257

There were no other emoluments payable to the independent non-executive directors during the year (2023: Nil).

9. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)

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

	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonuses *RMB'000*	Pension scheme contributions *RMB'000*	Total *RMB'000*
2024				
Executive directors				
Mr. Wang Tongzhou	**317**	**664**	**66**	**1,047**
Mr. Wang Haihuai *(Chief executive)*	**317**	**664**	**66**	**1,047**
Mr. Liu Xiang	**291**	**591**	**66**	**948**
Subtotal	**925**	**1,919**	**198**	**3,042**
Non-executive director				
Mr. Mi Shuhua *(i)*	**–**	**–**	**–**	**–**
Subtotal	**–**	**–**	**–**	**–**
Supervisors				
Mr. Wang Yongbin	**389**	**522**	**66**	**977**
Mr. Lu Yaojun	**580**	**395**	**66**	**1,041**
Mr. Yao Yanmin *(ii)*	**–**	**–**	**–**	**–**
Mr.Yang Xiangyang *(iii)*	**599**	**327**	**66**	**992**
Subtotal	**1,568**	**1,244**	**198**	**3,010**
Total	**2,493**	**3,163**	**396**	**6,052**

(i) Mr. Mi Shuhua retired as the independent non-executive directors on 15 January 2024.

(ii) Mr. Yao Yanmin retired as the supervisor on 11 January 2024.

(iii) Mr. Yang Xiangyang elected as the supervisor on 11 January 2024.

9. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)

(b) Executive directors, non-executive directors and supervisors (continued)

	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonuses *RMB'000*	Pension scheme contributions *RMB'000*	Total *RMB'000*
2023				
Executive directors				
Mr. Wang Tongzhou	273	639	63	975
Mr. Wang Haihuai *(Chief executive)*	273	639	63	975
Mr. Liu Xiang	251	466	63	780
Mr. Sun Ziyu *(i)*	94	133	21	248
Subtotal	891	1,877	210	2,978
Non-executive director				
Mr. Mi Shuhua	–	–	–	–
Subtotal	–	–	–	–
Supervisors				
Mr. Wang Yongbin	353	255	63	671
Mr. Yao Yanmin	293	418	63	774
Mr. Lu Yaojun	529	471	63	1,063
Subtotal	1,175	1,144	189	2,508
Total	2,066	3,021	399	5,486

(i) Mr. Sun Ziyu retired as the executive director on 27 April 2023.

10. FIVE HIGHEST PAID EMPLOYEES

None of the directors and supervisors as mentioned in note 9 above was included in the five highest paid individuals. The emoluments of the five individuals whose emoluments were the highest in the Group during the year are as follows:

	2024 *RMB'000*	2023 *RMB'000*
Salaries, allowances and benefits in kind	**2,175**	1,975
Performance related bonuses	**8,006**	8,651
Pension scheme contributions	**935**	842
Total	**11,116**	11,468

The remuneration of the above five highest paid employees fell within the following bands.

	Number of employees	
	2024	2023
HK$2,000,000 to HK$2,500,000 (equivalent to approximately RMB1,852,080 to RMB2,315,100)	**3**	3
HK$2,500,001 to HK$3,000,000 (equivalent to approximately RMB2,315,100 to RMB2,778,120)	**2**	2
Total	**5**	5

11. INCOME TAX

Most of the companies comprising the Group are subject to the PRC enterprise income tax, which was provided based on the statutory income tax rate of 25% (2023: 25%) of the assessable income of each of these companies during the year as determined in accordance with the relevant PRC income tax rules and regulations, except for certain PRC subsidiaries of the Company which were taxed at a preferential rate of 15% (2023: 15%).

Taxation for other companies of the Group has been calculated based on the estimated assessable profit for the years ended 31 December 2024 and 31 December 2023 at the appropriate rates of taxation prevailing in the jurisdictions in which these companies operate.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2024 ***RMB million***	2023 *RMB million* (Restated)
Current		
– PRC enterprise income tax	**6,225**	6,710
– Elsewhere	**1,100**	1,071
Total Current	**7,325**	7,781
Deferred *(note 31)*	**(981)**	(1,382)
Total tax charge for the year	**6,344**	6,399

11. INCOME TAX (CONTINUED)

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	2024		2023	
	RMB million	***%***	*RMB million* (Restated)	*%*
Profit before tax	**37,163**		37,552	
Tax at PRC statutory tax rate of 25%	**9,291**	**25.0**	9,388	25.0
Land appreciation tax in the PRC	**233**	**0.6**	193	0.5
Profits and losses attributable to joint ventures and associates	**587**	**1.6**	251	0.7
Income not subject to tax	**(371)**	**(1.0)**	(589)	(1.6)
Additional tax concession on research and development costs	**(1,401)**	**(3.8)**	(1,681)	(4.5)
Expenses not deductible for tax	**156**	**0.4**	255	0.7
Temporary differences utilised from previous periods	**(13)**	**–**	(197)	(0.5)
Temporary differences not recognised	**159**	**0.4**	189	0.5
Tax losses utilised from previous periods	**(276)**	**(0.7)**	(109)	(0.3)
Tax losses not recognised	**868**	**2.3**	848	2.3
Effect of differences in tax rates applicable to certain domestic and foreign subsidiaries	**(2,376)**	**(6.4)**	(1,966)	(5.2)
Adjustments in respect of current income tax of previous years	**(150)**	**(0.4)**	65	0.2
Others	**(363)**	**(1.0)**	(248)	(0.7)
Tax charge at the Group's effective rate	**6,344**	**17.1**	6,399	17.0

The share of tax attributable to joint ventures and associates amounting to approximately RMB526 million (2023: RMB433 million) is included in "Share of profits and losses of joint ventures and associates" in the consolidated statement of profit or loss.

The Company is within the scope of global minimum tax ("GMT") under the OECD Pillar Two model rules ("Pillar Two"). Subject to the enactment of Pillar Two tax legislation being passed in the jurisdictions where the Company and its subsidiaries operate, the Group is liable to pay a top-up tax for any deficiency between the minimum tax rate of 15% and the effective tax rate per jurisdiction. The Company has assessed the impact of Pillar Two and concluded that the impact is not significant.

12. DIVIDENDS

	2024 RMB million	2023 RMB million
Proposed annual dividend of RMB0.30166 per ordinary share (2023: RMB0.29253)	**4,911**	4,762

A total annual dividend of approximately RMB4,911 million has been proposed for distribution to the shareholders. Of this amount, an interim dividend of RMB2,280 million was approved by the Company's first Extraordinary General Meeting ("EGM") in 2024. The remaining dividend of RMB0.16161 per share, totalling RMB2,631 million, is subject to approval by the shareholders at the forthcoming Annual General Meeting ("AGM").

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent (exclusive of the interest on perpetual securities and dividend relating to Restricted stock incentive plans), and the weighted average number of ordinary shares of 16,165,711,425 (2023: 16,165,711,425) outstanding during the year.

As disclosed in note 35, the Company granted restricted shares to certain employees in 2023 and 2024, the restricted shares had an anti-dilutive effect on the basic earnings per share for the year and were ignored in the calculation of diluted earnings per share. Therefore, the diluted earnings per share is equal to the basic earnings per share.

The calculation of basic earnings per share is based on:

		2024	2023
Profit attributable to ordinary equity holders of the parent *(RMB million)*		**23,854**	24,739
Less:	Interest on perpetual securities *(RMB million) (i)*	**1,231**	1,327
	Dividend relating to restricted stock incentive plans *(RMB million)*	**47**	–
Total		**22,576**	23,412
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share *(million)*[#]		**16,166**	16,166
Basic earnings per share		**RMB1.40**	RMB1.45

(i) The perpetual securities issued by the Company were classified as equity instruments with deferrable accumulative interest. Interest of RMB1,231 million on the perpetual securities which has been accrued but not distributed during the year was deducted from earnings when calculating the earnings per share amount for the year ended 31 December 2024.

[#] The weighted average number of shares was before taking into account the effect of treasury shares held during the waiting period.

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB million*	Machinery *RMB million*	Vessels and vehicles *RMB million*	Other equipment *RMB million*	Construction in progress *RMB million*	Total *RMB million*
31 December 2024						
At 31 December 2023, net of accumulated depreciation and impairment	**23,150**	**16,339**	**21,698**	**3,220**	**10,717**	**75,124**
Additions	**297**	**1,676**	**1,085**	**1,694**	**8,823**	**13,575**
Disposals	**(248)**	**(487)**	**(205)**	**(244)**	**–**	**(1,184)**
Business combination	**192**	**6**	**1**	**1**	**950**	**1,150**
Disposal of subsidiaries	**(88)**	**–**	**(3)**	**(8)**	**(143)**	**(242)**
Transfer	**1,523**	**2,012**	**863**	**256**	**(4,654)**	**–**
Transfer from investment properties	**1,022**	**–**	**–**	**–**	**–**	**1,022**
Transfer from inventories	**96**	**34**	**–**	**–**	**187**	**317**
Transfer to inventories	**–**	**–**	**–**	**(1)**	**(229)**	**(230)**
Transfer to Intangible assets	**–**	**–**	**–**	**–**	**(33)**	**(33)**
Transfer to right-of-use assets	**–**	**–**	**–**	**–**	**(16)**	**(16)**
Transfer to investment properties	**(258)**	**–**	**–**	**–**	**(1,064)**	**(1,322)**
Depreciation provided during the year	**(992)**	**(3,227)**	**(1,982)**	**(1,697)**	**–**	**(7,898)**
Impairment	**–**	**(2)**	**(28)**	**–**	**–**	**(30)**
Exchange realignment and others	**(57)**	**(61)**	**17**	**8**	**(111)**	**(204)**
At 31 December 2024, net of accumulated depreciation and impairment	**24,637**	**16,290**	**21,446**	**3,229**	**14,427**	**80,029**
At 31 December 2024						
Cost	**32,575**	**40,878**	**48,710**	**17,422**	**14,471**	**154,056**
Accumulated depreciation and impairment	**(7,938)**	**(24,588)**	**(27,264)**	**(14,193)**	**(44)**	**(74,027)**
Net carrying amount	**24,637**	**16,290**	**21,446**	**3,229**	**14,427**	**80,029**

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings *RMB million*	Machinery *RMB million*	Vessels and vehicles *RMB million*	Other equipment *RMB million*	Construction in progress *RMB million*	Total *RMB million*
31 December 2023						
At 31 December 2022, net of accumulated depreciation and impairment	15,820	13,106	19,087	3,100	9,615	60,728
Additions	156	2,964	1,488	1,574	9,286	15,468
Capital contribution from non-controlling shareholders	123	–	–	–	–	123
Disposals	(17)	(670)	(296)	(140)	–	(1,123)
Business combination	4,968	2,637	60	351	317	8,333
Disposal of subsidiaries	–	(8)	(2)	–	–	(10)
Transfer	2,375	1,811	2,936	218	(7,340)	–
Transfer from investment properties	101	–	–	–	–	101
Transfer from inventories	393	–	–	–	185	578
Transfer to inventories	–	–	–	–	(931)	(931)
Transfer to Intangible assets	–	–	–	–	(36)	(36)
Transfer to right-of-use assets	–	–	–	–	(13)	(13)
Transfer to investment properties	(28)	–	–	–	(233)	(261)
Transfer from right-of-use asset	–	–	444	–	–	444
Transfer to assets of a disposal group classified as held for sale	(2)	(1)	(260)	(2)	–	(265)
Depreciation provided during the year	(767)	(3,505)	(1,767)	(1,832)	–	(7,871)
Impairment	–	–	–	–	(5)	(5)
Exchange realignment and others	28	5	8	(49)	(128)	(136)
At 31 December 2023, net of accumulated depreciation and impairment	23,150	16,339	21,698	3,220	10,717	75,124
At 31 December 2023						
Cost	29,967	40,915	48,448	17,120	10,739	147,189
Accumulated depreciation and impairment	(6,817)	(24,576)	(26,750)	(13,900)	(22)	(72,065)
Net carrying amount	23,150	16,339	21,698	3,220	10,717	75,124

As at 31 December 2024, the Group was in the process of applying for the ownership certificates for certain of its properties with an aggregate carrying amount of approximately RMB2,690 million (2023: RMB2,434 million). The directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy or use these properties.

As at 31 December 2024, certain bank and other borrowings were secured by property, plant and equipment, with a carrying amount of approximately RMB3,680 million (31 December 2023: RMB782 million) (note 43(b)).

15. INVESTMENT PROPERTIES

	2024 RMB million	2023 RMB million
Carrying amount at 1 January	**9,583**	10,633
Additions	**1**	29
Transfer from property, plant and equipment	**1,322**	261
Transfer from inventories	**1,120**	302
Business combination	**–**	9
Transfer to property, plant and equipment	**(1,022)**	(101)
Transfer to inventories	**(2,246)**	(107)
Disposals	**(180)**	(3)
Disposal of subsidiaries	**(18)**	(988)
Depreciation provided during the year	**(326)**	(464)
Exchange realignment	**8**	12
Carrying amount at 31 December	**8,242**	9,583
Cost	**9,819**	11,315
Accumulated depreciation and impairment	**(1,577)**	(1,732)
	8,242	9,583
Fair value at 31 December (a)	**16,505**	17,354

15. INVESTMENT PROPERTIES (CONTINUED)

(a) As at 31 December 2024, the Group's investment properties were fair valued by China Alliance Appraisal Co., Ltd., an independent qualified valuer.

The fair value of the investment properties located in Mainland China as at 31 December 2024 and 31 December 2023 was determined using income approach and market comparison approach.

	Valuation techniques	Significant unobservable/ observable inputs	**Fair value at 31 December 2024** ***RMB million***	Fair value at 31 December 2023 *RMB million*
Investment properties located in Mainland China	Income approach: taking into account the net rental income of the properties derived mainly from the existing and/or achievable leases in the existing market with due allowance, which have been then capitalised to determine the fair value at an appropriate capitalisation rate	Future rental inflows, and capitalisation rates	**13,448**	15,060
The rest of the investment properties located in Mainland China	Market comparison approach: with reference to comparable market transactions	Comparable price in the market	**1,476**	723
Investment properties located outside Mainland China	Market comparison approach: with reference to comparable market transactions	Comparable price in the market	**836**	826
Investment properties located outside Mainland China	Income approach: taking into account the net rental income of the properties derived mainly from the existing and/or achievable leases in the existing market with due allowance, which have been then capitalised to determine the fair value at an appropriate capitalisation rate	Future rental inflows, discount rates and capitalisation rates	**745**	745
			16,505	17,354

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties as at 31 December 2024 using significant unobservable inputs (Level 3):

Valuation techniques	**Significant unobservable inputs**	**Range** **2024**	2023
Income approach (2023: Income approach)	Discount rate	**3.0%-7.0%**	3.0%-12.0%
	Average monthly rental (per square meter)	**RMB7-RMB444 per square meter**	RMB3-RMB510 per square meter

15. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy (continued)

There were no transfers between Level 1 and Level 2 and into or out of Level 3 during the year (2023:Nil).

(b) The investment properties are leased to third parties under operating leases, further details of which are included in note 16 to the financial statements.

As at 31 December 2024, the Group was in the process of applying for the ownership certificates for certain properties with an aggregate carrying amount of approximately RMB225 million (31 December 2023: RMB357 million). The directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy or use these properties.

16. LEASES

The Group as a lessee

The Group has lease contracts for various items of land, building, vessels, machinery, vehicles and other equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 20 to 70 years and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms between 1 and 10 years. The terms of vessels lease are generally 1 to 10 years under operating leases, while the lease period is 8 to 25 years under finance leases. Machinery and vehicles generally have lease terms between 1 and 5 years. Other equipment generally has lease terms of 1 to 5 years or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land *RMB million*	Buildings *RMB million*	Vessels *RMB million*	Machinery *RMB million*	Vehicles *RMB million*	Other equipment *RMB million*	Total *RMB million*
31 December 2024							
At 31 December 2023, net of accumulated depreciation	**17,227**	**2,496**	**13**	**483**	**39**	**95**	**20,353**
Additions	**671**	**1,119**	**735**	**555**	**23**	**5**	**3,108**
Transfer from property, plant and equipment	**16**	**–**	**–**	**–**	**–**	**–**	**16**
Business combinations	**–**	**4**	**–**	**–**	**–**	**–**	**4**
Transfer from inventories	**77**	**–**	**–**	**–**	**–**	**–**	**77**
Depreciation charge	**(252)**	**(1,072)**	**(78)**	**(334)**	**(17)**	**(14)**	**(1,767)**
Disposal of subsidiaries	**(71)**	**–**	**–**	**–**	**–**	**–**	**(71)**
Disposal, retirement, and others	**165**	**(214)**	**37**	**67**	**(30)**	**(48)**	**(23)**
At 31 December 2024	**17,833**	**2,333**	**707**	**771**	**15**	**38**	**21,697**

16. LEASES (CONTINUED)

The Group as a lessee (continued)

(a) Right-of-use assets (continued)

	Leasehold land *RMB million*	Buildings *RMB million*	Vessels *RMB million*	Machinery *RMB million*	Vehicles *RMB million*	Other equipment *RMB million*	Total *RMB million*
At 31 December 2023							
At 31 December 2022, net of accumulated depreciation	15,404	2,220	444	123	22	61	18,274
Additions	906	1,293	45	483	86	44	2,857
Transfer from property, plant and equipment	13	–	–	–	–	–	13
Business combinations	1,339	4	–	–	–	–	1,343
Transferred from inventories	92	–	–	–	–	–	92
Depreciation charge	(255)	(939)	(53)	(104)	(71)	(12)	(1,434)
Transfer to property, plant and equipment	–	–	(444)	–	–	–	(444)
Transfer to inventories	(359)	–	–	–	–	–	(359)
Transfer to assets of a disposal group classified as held for sale	(54)	(1)	–	–	–	–	(55)
Disposal, retirement, or others	141	(81)	21	(19)	2	2	66
At 31 December 2023	17,227	2,496	13	483	39	95	20,353

As at 31 December 2024, certain of the Group's right-of-use assets with a net carrying amount of approximately RMB9,388 million (31 December 2023: RMB9,015 million) were pledged to secure general banking facilities granted to the Group (notes 30(e) and 43(b)).

16. LEASES (CONTINUED)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) and the movements during the year are as follows:

	2024 Lease liabilities *RMB million*	2023 Lease liabilities *RMB million*
Carrying amount at 1 January	**2,776**	2,386
New leases	**2,400**	1,831
Interest expense	**200**	232
Payments	**(1,607)**	(1,673)
Others	**(86)**	–
Carrying amount at 31 December	**3,683**	2,776
Analysed into:		
Current portion	**1,419**	926
Non-current portion	**2,264**	1,850

The maturity analysis of lease liabilities is disclosed in note 48(c) to the consolidated financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 *RMB million*	2023 *RMB million*
Interest on lease liabilities	**200**	232
Depreciation charge of right-of-use assets	**1,767**	1,434
Expense relating to short-term leases (included in cost of sales)	**2,532**	1,795
Expense relating to leases of low-value assets (included in administrative expenses)	**2**	2
Variable lease payments not included in the measurement of lease liabilities (included in cost of sales)	**1**	2
Total amount recognised in profit or loss	**4,502**	3,465

(d) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in notes 39(c) and 48(c), respectively, to the consolidated financial statements.

16. LEASES (CONTINUED)

The Group as a lessor

(a) Operating lease

The Group leases its investment properties (note 15) and property, plant and equipment (note 14) consisting of certain of commercial and industrial properties in Mainland China and overseas under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB1,272 million (2023: RMB963 million).

As at 31 December 2024, the Group's operating arrangements for leased property, plant and equipment are as follows:

	Machinery *RMB million*	**Vessels and vehicles** *RMB million*	**Total** *RMB million*
At 31 December 2023, net of accumulated depreciation and impairment	1,175	534	1,709
Additions	302	51	353
Lease expiration	(72)	(111)	(183)
Depreciation	(130)	(39)	(169)
At 31 December 2024, net of accumulated depreciation and impairment	1,275	435	1,710

At 31 December 2024, the undiscounted lease payments receivables by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2024 ***RMB million***	2023 *RMB million*
Within 1 year	**728**	592
1 year to 2 years	**495**	385
2 years to 3 years	**322**	228
3 years to 4 years	**161**	152
4 years to 5 years	**169**	193
Over 5 years	**388**	181
Total	**2,263**	1,731

16. LEASES (CONTINUED)

The Group as a lessor (continued)

(b) Finance lease

Financing income from net lease investment was RMB3,055 million (2023: RMB2,734 million).

At 31 December 2024, the Group had contracted with lessees for the following future undiscounted lease payments under non-cancellable finance leases are as follows:

	2024 ***RMB million***	2023 *RMB million*
Lease payments receivables		
– Within 1 year	**30,824**	21,477
– 1 year to 2 years	**20,953**	17,089
– 2 years to 3 years	**7,867**	8,805
– 3 years to 4 years	**2,328**	2,653
– 4 years to 5 years	**925**	1,041
– Over 5 years	**341**	548
Subtotal	**63,238**	51,613
Less: Unearned finance lease income	**4,381**	4,184
Net investment in the lease	**58,857**	47,429

17. INTANGIBLE ASSETS

	Concession assets *RMB million*	Goodwill *RMB million*	Trademarks, patents, proprietary technologies and copyrights *RMB million*	Computer software *RMB million*	Others *RMB million*	Total *RMB million*
31 December2024						
Cost at 1 January 2024, net of accumulated amortisation and impairment	**188,176**	**5,455**	**1,413**	**724**	**4,795**	**200,563**
Additions	**12,856**	**–**	**1**	**376**	**834**	**14,067**
Business combinations	**4,929**	**201**	**–**	**52**	**1,890**	**7,072**
Acquisition of assets	**8,401**	**–**	**–**	**–**	**–**	**8,401**
Transfer from property, plant and equipment	**–**	**–**	**–**	**33**	**–**	**33**
Disposal of subsidiaries *(note 42)*	**(29,042)**	**–**	**–**	**–**	**–**	**(29,042)**
Disposal	**(36)**	**–**	**(4)**	**(10)**	**(43)**	**(93)**
Amortisation provided during the year	**(3,064)**	**–**	**(54)**	**(237)**	**(53)**	**(3,408)**
Exchange realignment	**267**	**(351)**	**–**	**–**	**–**	**(84)**
Others	**–**	**(5)**	**(269)**	**(1)**	**(2)**	**(276)**
At 31 December 2024	**182,487**	**5,300**	**1,087**	**938**	**7,421**	**197,233**
At 31 December 2024						
Cost	**196,417**	**5,596**	**1,413**	**2,340**	**7,895**	**213,661**
Accumulated amortisation and impairment	**(13,930)**	**(296)**	**(326)**	**(1,402)**	**(474)**	**(16,428)**
Net carrying amount	**182,487**	**5,300**	**1,087**	**938**	**7,421**	**197,233**
31 December 2023						
Cost at 1 January 2023, net of accumulated amortisation and impairment	212,291	5,182	1,153	501	416	219,543
Additions	20,830	–	44	411	3,259	24,544
Business combinations	11,651	330	291	9	1,142	13,423
Transfer from property, plant and equipment	–	–	–	3	33	36
Disposal of subsidiaries *(note 42)*	(41,655)	–	–	–	–	(41,655)
Disposal	–	–	(20)	(7)	(2)	(29)
Amortisation provided during the year	(2,963)	–	(75)	(193)	(54)	(3,285)
Impairment written off during the year	–	(196)	–	–	–	(196)
Exchange realignment	457	139	20	–	1	617
Others	(12,435)	–	–	–	–	(12,435)
At 31 December 2023	188,176	5,455	1,413	724	4,795	200,563
At 31 December 2023						
Cost	201,214	5,751	1,718	1,940	5,217	215,840
Accumulated amortisation and impairment	(13,038)	(296)	(305)	(1,216)	(422)	(15,277)
Net carrying amount	188,176	5,455	1,413	724	4,795	200,563

17. INTANGIBLE ASSETS (CONTINUED)

As at 31 December 2024, the net carrying amount of concession assets consisted of RMB161,220 million (2023: RMB168,207 million) under operation and RMB21,267 million (2023: RMB19,969 million) under construction, respectively.

As at 31 December 2024, the Group recognised an accumulated impairment of RMB299 million (2023: RMB299 million), based on the impairment tests for concession assets in the infrastructure construction segment.

As at 31 December 2024, certain bank and other borrowings were secured by concession assets with a total carrying amount of approximately RMB144,417 million (2023: RMB129,813 million) (notes 30(e) and 43(b)).

Impairment testing of goodwill

Goodwill is allocated to the Group's cash-generating units identified within respective operating segments. Goodwill of the Group mainly relates to the followings:

(a) the goodwill included in the Construction segment that arose in connection with the Group's acquisition of the 100% equity interest in John Holland Group Pty Limited ("John Holland") in April 2015 and acquisition of the 100% equity interest in RCR Holdings ("RCR") in February 2019, collectively referred to as John Holland cash-generating unit ("John Holland CGU");

(b) the goodwill included in the Design segment that arose in connection with the Group's acquisition of the 80% equity interest in Concremat Engenharia e Tecnologia S.A. ("Concremat CGU") in January 2017; and

(c) the goodwill included in the Other segment that arose in connection with the Group's acquisition of the 100% equity interest in Friede Goldman United, Ltd. ("F&G CGU") in August 2010.

The following is a summary of goodwill allocation:

	2024 ***RMB million***	2023 *RMB million*
John Holland CGU *(i)*	**4,405**	4,756
Concremat CGU *(i)*	**252**	252
F&G CGU *(i)*	**–**	–
Other CGUs	**643**	447
Total	**5,300**	5,455

(i) For goodwill in connection with John Holland CGU, Concremat CGU, and F&G CGU, the recoverable amount was determined based on value-in-use calculation. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. For the John Holland CGU, the key assumptions are set out below:

	2024 John Holland	2023 John Holland
Terminal growth rate [1]	**2%**	2%
Before tax discount rate [2]	**11.1%**	11.1%

(1) The terminal growth rate is the average annual revenue growth rate over the five-year forecast period. It is based on past performance and management's expectations of market development.

(2) The discount rate used is before tax and reflects specific risks relating to the CGU.

As at 31 December 2024, the Group recognised an accumulated impairment of RMB296 million (2023: RMB296 million) for the goodwill allocated to F&G CGU, while no impairment was recognised for the goodwill allocated to John Holland CGU and Concremat CGU based on the assessment as at 31 December 2024 and 2023.

18. INVESTMENTS IN JOINT VENTURES

	2024 RMB million	2023 RMB million
At 1 January	**59,671**	51,731
Additions	**5,394**	6,821
Disposals	**(536)**	(489)
Share of losses, net	**(1,884)**	(1,409)
Dividend distribution	**(426)**	(464)
Initial recognition of fair value of interests in joint ventures arising from disposal of subsidiaries	**114**	4,229
Conversion into subsidiaries resulting from increase in equity interests in joint ventures	**(1,927)**	(652)
Share of other comprehensive losses of joint ventures	**(206)**	(10)
Impairment	**–**	(248)
Others	**(222)**	162
At 31 December	**59,978**	59,671

In the opinion of the directors, none of the joint ventures is individually material to the Group.

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2024 RMB million	2023 RMB million
Share of the joint ventures' losses for the year	**(1,884)**	(1,409)
Share of the joint ventures' other comprehensive loss	**(206)**	(10)
Share of the joint ventures' total comprehensive loss	**(2,090)**	(1,419)
Aggregate carrying amount of the Group's investments in the joint ventures	**59,978**	59,671

All of the joint ventures of the Group are accounted for using the equity method.

The Group's receivable and payable balances with and guarantees provided to the joint ventures are disclosed in notes 45(b) and 45(c) to the financial statements.

As at 31 December 2024, approximately 10.03% of the aggregate carrying amount of the Group's investments in the joint ventures was directly held by the Company.

19. INVESTMENTS IN ASSOCIATES

	2024 RMB million	2023 RMB million
At 1 January	53,801	47,745
Additions	2,980	5,940
Disposals	(1,082)	(432)
Share of profits and losses, net	(463)	400
Dividend distribution	(698)	(535)
Initial recognition of fair value of interests in associates arising from disposal of subsidiaries	96	584
Conversion into subsidiaries arising from increase in equity	(517)	–
Share of other comprehensive (losses)/income of associates	(77)	34
Others	354	65
At 31 December	54,394	53,801

Particulars of the Group's material associate is as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Shanghai Zhenhua Heavy Industries Co., Ltd. ("ZPMC")	Ordinary shares	Mainland China	16.24%	Manufacture of heavy-duty equipment

Although the Group holds less than 20% equity interest in ZPMC, ZPMC has been accounted for as an associate since the Group is the second largest shareholder of ZPMC, only next to the Company's parent CCCG and has the right to nominate directors to the board of directors of ZPMC and therefore has significant influence over ZPMC. ZPMC is directly held by the Company.

ZPMC, which is considered a material associate of the Group, is a strategic partner of the Group and is accounted for using the equity method.

As at 31 December 2024, approximately 24.51% of the aggregate carrying amount of the Group's investments in the associates was directly held by the Company.

19. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the summarised financial information in respect of ZPMC and reconciled to the carrying amount in the consolidated financial statements:

	2024 RMB million	2023 RMB million
Non-current assets	**38,824**	39,354
Current assets	**46,944**	45,511
Total assets	**85,768**	84,865
Current liabilities	**(46,992)**	(48,199)
Non-current liabilities	**(20,453)**	(17,799)
Total liabilities	**(67,445)**	(65,998)
Non-controlling interests	**(2,455)**	(3,110)
Perpetual securities	**(500)**	(500)
Equity attributable to ordinary equity holders of the parent	**15,368**	15,257
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	**16.24%**	16.24%
Group's share of net assets of the associate, excluding goodwill	**2,540**	2,512
Goodwill on acquisition (less cumulative impairment)	**1,911**	1,911
Carrying amount of the investment	**4,451**	4,423
Revenue	**34,456**	32,933
Profit attributable to owners of the parent	**534**	520
Other comprehensive loss attributable to owners of the parent	**22**	34
Total comprehensive income for the year attributable to owners of the parent	**556**	554
Dividend received	**43**	–

19. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2024 RMB million	2023 RMB million
Share of the associates'(loss)/profit for the year	(533)	316
Share of the associates' other comprehensive income	(75)	27
Share of the associates' total comprehensive income	(608)	343
Aggregate carrying amount of the Group's investments in the associates	49,943	49,378

All of the associates of the Group are accounted for using the equity method.

The Group's trade receivable and payable balances with and the guarantees provided to the associates are disclosed in notes 45(b) and 45(c) to the financial statements.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RMB million	2023 RMB million
Listed equity investments *(note a)*	329	584
Unlisted investments		
– Investments in structured entities *(note 22)*	20,256	20,776
– Unlisted equity investments	4,712	3,763
– Future purchase option *(note c)*	2,444	2,740
– Investments in assets-backed securities *(note 22)*	22	37
– Wealth management products *(note b)*	168	254
Subtotal	27,931	28,154
Less: Non-current portion		
Unlisted investments	27,434	27,316
Total current portion	497	838

(a) The listed equity investments at 31 December 2024 were classified as financial assets at fair value through profit or loss as they were held for trading. The fair value of these investments was based on the quoted market prices at the end of the reporting period.

(b) The above wealth management products issued by banks in Mainland China are mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

(c) The Group purchased future purchase options to buy back equity interests in certain companies it disposed of in prior years at a discounted price. As at 31 December 2024, the fair value of the future purchase options was RMB2,444 million (2023: RMB2,740 million).

21. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i)

Equity instruments at fair value through other comprehensive income comprise the following individual instruments:

	2024 RMB million	2023 RMB million
Listed equity instruments		
– China Merchants Bank Co., Ltd.	**15,982**	11,761
– China Merchants Securities Co., Ltd.	**4,352**	3,749
– Yutong Bus Co., Ltd.	**1,079**	542
– China Everbright Bank Co., Ltd.	**–**	82
– China Development Bank Financial Leasing Co., Ltd.	**200**	194
– CECEP Environmental Protection Equipment Co., Ltd.	**120**	147
– Zhongtong Bus Holding Co., Ltd.	**51**	42
– Others	**210**	213
Subtotal	**21,994**	16,730
Unlisted equity instruments		
– Lunan High Speed Railway Co., Ltd.	**1,292**	1,267
– Shandong Zilin Expressway Co., Ltd.	**675**	663
– Shandong Jiwei Expressway Co., Ltd.	**279**	346
– Beijing CEDC Ltd.	**406**	372
– Shandong Expressway Jiqing Midline Highway Co., Ltd.	**242**	242
– Hunan Bainan Expressway Construction Development Co., Ltd.	**403**	403
– Jiangsu Xitai Tunnel Co., Ltd.	**384**	287
– Shanghai Kerry Oils & Grains Industries Co., Ltd.	**–**	28
– Others	**1,505**	1,087
Subtotal	**5,186**	4,695
Total	**27,180**	21,425

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

(ii) Disposal of equity investments

During the year ended 31 December 2024, the Group has sold certain equity investments, as these investments no longer suited the Group's investment strategy. The equity investments sold had a fair value of RMB1,485 million (2023: RMB404 million) at the time of sale and the Group realised a gain of RMB1,273 million (2023: RMB121 million), which had already been included in other comprehensive income and transferred to retained earnings directly upon disposal.

Dividends

During the year ended 31 December 2024, the Group recognised dividends in a total amount of RMB1,073 million (2023: RMB892 million), including RMB21 million relating to equity investments derecognised during the reporting period and RMB1,052 million (2023: RMB873 million) relating to equity investments held at the end of the reporting period, respectively.

22. UNCONSOLIDATED STRUCTURED ENTITIES

The Group is principally involved with structured entities through financial investments. The Group determines whether or not to consolidate these structured entities depending on whether the Group has control over them. The unconsolidated structured entities include private equity funds, unit trust funds, trust products and asset management plans, etc. The nature and purpose of these structured entities are to engage in infrastructure investment activities. These structured entities were financed through the issue of units to investors.

As at 31 December 2024, the maximum exposure to loss and the book values of relevant investments of the Group arising from the interests held in structured entities that are sponsored by the Group or the third party financial institutions are set out as below:

	2024		2023	
	Carrying amount ***RMB million***	**Maximum exposure to loss** ***RMB million***	Carrying amount *RMB million*	Maximum exposure to loss *RMB million*
Investments in structured entities	**20,256**	**20,256**	20,776	20,776
Investments in asset-backed securities	**22**	**22**	37	37
Total	**20,278**	**20,278**	20,813	20,813

In 2024, the Group received management fees, commission and performance fees amounting to RMB63 million (2023: RMB82 million) from unconsolidated structured entities sponsored by the Group.

As disclosed in notes 25(f) and 40(iii), the Group has entered into agreements with certain financial institutions to establish ABS and ABN arrangements. As at 31 December 2024, in addition to the liquidity support provided by the Group as disclosed, the Group has invested asset-backed securities with an aggregated amount of RMB22 million (2023: RMB37 million). The directors of the Company evaluate that the position of subordinated tranches invested is low and therefore determined not to consolidate these ABS and ABN.

As at 31 December 2024, except for those disclosed and note 40(iii), there were no contractual liquidity arrangements, guarantees or other commitments between the Group and the unconsolidated structured entities (2023: Nil).

23. INVENTORIES

	2024 RMB million	2023 RMB million
Raw materials	**15,239**	15,346
Work in progress	**1,511**	1,415
Properties under development *(note a)*	**59,142**	50,949
Completed properties held for sale *(note b)*	**24,821**	19,238
Finished goods	**1,066**	853
Others	**355**	220
Total	**102,134**	88,021

At 31 December 2024, certain of the Group's properties under development and completed properties held for sale with an aggregate carrying amount of RMB20,806 million (2023: RMB18,199 million) were pledged to secure the Group's bank loans (notes 30(e) and 43(b)).

(a) Properties under development comprise:

	2024 RMB million	2023 RMB million
Land use rights	**43,584**	33,826
Construction cost	**12,396**	13,865
Finance costs capitalised	**3,162**	3,258
Total	**59,142**	50,949

All of the properties under development are expected to be completed within the Group's normal operating cycle and are included under current assets.

(b) The amount of completed properties held for sale expected to be recovered beyond one year is RMB14,815 million (2023: RMB11,667 million). The remaining amount is expected to be recovered within one year.

24. CONTRACT ASSETS

Contract assets are initially recognised for revenue earned from the provision of construction, design and dredging services. Upon settlement with the customer, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets in 2024 and 2023 mainly resulted from the increase in the ongoing provision of construction and dredging services at the end of each of the years.

	31 December 2024 ***RMB million***	31 December 2023 *RMB million*	1 January 2023 *RMB million*
Contract assets arising from:			
Infrastructure construction	**487,204**	426,628	370,597
Infrastructure design	**10,400**	12,706	12,241
Dredging	**20,841**	17,120	13,574
Others	**343**	419	208
Subtotal	**518,788**	456,873	396,620
Impairment	**(5,042)**	(4,261)	(3,349)
Net carrying amount	**513,746**	452,612	393,271
Portion classified as non-current	**307,506**	282,355	242,716
Current portion	**206,240**	170,257	150,555

During the year ended 31 December 2024, RMB909 million (2023: RMB1,008 million) was recognised as an allowance for expected credit losses on contract assets.

As at 31 December 2024, the expected timing of recovery or settlement for contract assets was subject to the specific contract terms and the progress of the performance obligations.

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

	2024 ***RMB million***	2023 *RMB million*
At beginning of year	**4,261**	3,349
Impairment losses, net	**909**	1,008
Others	**(128)**	(96)
At end of year	**5,042**	4,261

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on the groupings of various customer segments with similar loss patterns (i.e., by service type, customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

24. CONTRACT ASSETS (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

	2024	2023
Expected credit loss rate	0.81%	0.79%
Gross carrying amount *(RMB million)*	515,165	453,414
Expected credit losses *(RMB million)*	4,162	3,590

25. TRADE AND OTHER RECEIVABLES

	2024 *RMB million*	2023 *RMB million*
Trade and bills receivables *(note a)*	169,443	143,228
Impairment	(28,538)	(23,988)
Net carrying amount	140,905	119,240
Long-term receivables *(note b)*	359,213	308,864
Impairment	(7,178)	(10,295)
Net carrying amount	352,035	298,569
Other receivables:		
Prepayments	28,479	33,054
Deposits *(note d)*	25,118	26,700
Others	71,061	68,322
Subtotal	124,658	128,076
Impairment *(note c)*	(7,647)	(7,435)
Net carrying amount	117,011	120,641
Total	609,951	538,450
Portion classified as non-current		
Long-term receivables	256,688	221,763
Other receivables:		
Prepayments	6,362	5,982
Deposits	3,411	1,922
Others	6,879	6,512
Total non-current portion	273,340	236,179
Total current portion	336,611	302,271

25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) The majority of the Group's revenues are generated through infrastructure construction, infrastructure design and dredging contracts and settlements are made in accordance with the terms specified in the contracts governing the relevant transactions. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

An ageing analysis of trade and bills receivables as at the end of the reporting period, net of provisions, is as follows:

	2024 ***RMB million***	2023 *RMB million*
Within 6 months	**86,079**	71,630
6 months to 1 year	**15,025**	13,188
1 year to 2 years	**21,649**	14,284
2 years to 3 years	**7,772**	11,390
Over 3 years	**10,380**	8,748
Total	**140,905**	119,240

The movements in provision for impairment of trade and bills receivables are as follows:

	2024 ***RMB million***	2023 *RMB million*
At beginning of year	**23,988**	22,375
Impairment losses, net	**5,123**	3,268
Amount written off*	**(490)**	(1,161)
Others	**(83)**	(494)
At end of year	**28,538**	23,988

* During the year ended 31 December 2024, an accumulated impairment of RMB410 million (2023: RMB616 million) was written off because the relevant trade and bills receivables were derecognised due to the arrangement of non-recourse factoring agreements, ABS, ABN, and endorsement.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the ageing of the balances for groupings of various customer segments with similar loss patterns (i.e., by service type, customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) (continued)

Set out below is the information about the credit risk exposure on the Group's trade and bills receivables using a provision matrix:

As at 31 December 2024

	Ageing						
	Less than 1 year	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**Over 5 years**	**Total**
Expected credit loss rate	**1.56%**	**14.12%**	**26.05%**	**46.48%**	**63.06%**	**81.70%**	**14.32%**
Gross carrying amount *(RMB million)*	**102,372**	**24,767**	**10,336**	**10,719**	**3,812**	**9,797**	**161,803**
Expected credit losses *(RMB million)*	**(1,597)**	**(3,497)**	**(2,693)**	**(4,982)**	**(2,404)**	**(8,004)**	**(23,177)**

As at 31 December 2023

	Ageing						
	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Expected credit loss rate	1.42%	14.98%	24.87%	40.93%	55.16%	87.57%	13.88%
Gross carrying amount *(RMB million)*	85,898	16,385	14,686	5,824	4,369	7,496	134,658
Expected credit losses *(RMB million)*	(1,222)	(2,454)	(3,653)	(2,384)	(2,410)	(6,564)	(18,687)

In addition to the above provision matrix, the Group has made individual loss allowance for certain customers while the credit risk increased significantly. As at 31 December 2024, the accumulated individual loss allowance was RMB5,361 million (31 December 2023: RMB5,301 million) with a carrying amount before loss allowance of RMB7,640 million (31 December 2023: RMB8,570 million).

25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Long-term receivables mainly represented amounts due from certain construction works with payment periods over one year.

	31 December 2024 ***RMB million***	31 December 2023 *RMB million*	1 January 2023 *RMB million*
Long-term receivables arising from:			
Infrastructure construction	**327,290**	280,536	228,134
Infrastructure design	**7,512**	9,439	8,343
Dredging	**24,134**	17,941	16,903
Others	**277**	948	396
Subtotal	**359,213**	308,864	253,776
Impairment	**(7,178)**	(10,295)	(8,123)
Net carrying amount	**352,035**	298,569	245,653
Portion classified as non-current	**256,688**	221,763	176,550
Current portion	**95,347**	76,806	69,103

During the year ended 31 December 2024, RMB559 million (2023: RMB1,434 million) was recognised as an allowance for expected credit losses on long-term receivables.

The movements in the loss allowance for impairment of long-term receivables are as follows:

	2024 ***RMB million***	2023 *RMB million*
At beginning of year	**10,295**	8,123
Impairment losses, net	**559**	1,434
Amount written off	**(229)**	(179)
Others	**(3,447)**	917
At end of year	**7,178**	10,295

25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) (continued)

Among them, the significant amounts of bad debt provision reversed during the year are as follows:

	Reversed amount *RMB million*	Reason for reversal	The basis and reasonableness of determining the proportion of provision for bad debts
Company A	603	The value of recoverable assets has recovered	Recycling possibilities

Note: The significant reversal was primarily due to the completion of the bankruptcy reorganisation procedure of Sanya Phoenix Island International Cruise Terminal Development Co., Ltd.* (三亞鳳凰島國際郵輪港發展有限公司), resulting in the conversion of the Group's creditor's rights against it into equity. For details, please refer to Note 41(a).

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the long-term receivables are based on those of the trade receivables as long-term receivables and the trade receivables are from the same customer bases. The provision rates of long-term receivables are based on the groupings of various customer segments with similar loss patterns (i.e., by service type, customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's long-term receivables using a provision matrix:

	2024	2023
Expected credit loss rate	**0.93%**	0.99%
Gross carrying amount *(RMB million)*	**344,244**	292,026
Expected credit losses *(RMB million)*	**3,204**	2,891

(c) The movements in the loss allowance for impairment of other receivables are as follows:

	2024 *RMB million*	2023 *RMB million*
At beginning of year	**7,435**	5,227
Impairment losses, net	**450**	2,191
Disposal of subsidiaries	**(55)**	–
Amount written off	**(42)**	(8)
Others	**(141)**	25
At end of year	**7,647**	7,435

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates of other receivables are based on the groupings of various customer segments with similar loss patterns (i.e., by service type, customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) (continued)

Set out below is the information about the credit risk exposure on the Group's other receivables using a provision matrix:

	2024	2023
Expected credit loss rate	**3.66%**	3.64%
Gross carrying amount *(RMB million)*	**119,314**	122,981
Expected credit losses *(RMB million)*	**4,370**	4,472

(d) Deposits mainly represented tender and performance bonds due from customers.

(e) During the year ended 31 December 2024, trade receivables of RMB54,722 million (2023: RMB66,523 million) had been transferred to the banks in accordance with non-recourse factoring agreements. In the opinion of the directors, the substantial risks and rewards associated with the trade receivables have been transferred and therefore the relevant receivables have been derecognised.

(f) The Group has entered into certain agreements with certain financial institution so as to establish ABS and ABN. The ABS and ABN are bonds or notes backed by trade receivables and long-term receivables. The Group sell pools of trade receivables and long-term receivables to a SPV, whose sole function is to buy such assets in order to securitise them. The SPV, which is usually a corporation, then sells them to a trust. The trust repackages the loans as interest-bearing securities and issues them. During the year ended 31 December 2024, the relevant outstanding contract assets, trade receivables and long-term receivables under the ABS and ABN amounted to RMB32,494 million (2023: RMB34,152 million). Such trade receivables and long-term receivables were derecognised as the directors are of the opinion that the substantial risks and rewards associated with the trade receivables and long-term receivables have been transferred and therefore qualified for derecognition.

(g) The Group transferred a portion of its trade receivables to a special purpose entity, which issued asset-backed securities to investors. The Group assumed the credit risk of the transferred trade receivables by subscribing to subordinated asset-backed securities. As at 31 December 2024, receivables transferred under the arrangement but not yet settled were RMB492 million (31 December 2023: RMB560 million). As the Group retained a significant portion of the risk and return related to the relevant trade receivables, the Group did not derecognize the related trade receivables.

(h) The Group entered into accounts receivable factoring arrangements with certain financial institutions and transferred certain accounts receivable to financial institutions. Under this arrangement, if the accounts receivable debtor delays payment and the Group is required to repay the money, the Group retains virtually all of the risks and rewards on the ownership of the financial asset and does not terminate recognition of the financial asset. After the transfer, the Group no longer reserves the right to use it, including the right to sell, transfer or pledge it to other third parties. As at 31 December 2024, trade receivable transferred under the arrangement but not yet settled were RMB3,961 million (31 December 2023: RMB3,808 million) and long-term receivables transferred under the arrangement but not yet settled were RMB6,551 million (31 December 2023: RMB5,734 million).

(i) During the year ended 31 December 2024, outstanding bills receivable of RMB267 million (2023: RMB401 million) were endorsed to suppliers or discounted with banks. In the opinion of directors, the Group has retained the substantial risks and rewards, which include default risks relating to such bills receivable, and accordingly, it continued to recognise the full carrying amounts of the bills receivable. In addition, during the year ended 31 December 2024, outstanding bills receivable of RMB786 million (2023: RMB686 million) were endorsed to suppliers or discounted with banks. In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to such bills receivable which were fully derecognised.

(j) As at 31 December 2024, certain of the Group's outstanding trade and other receivables (excluding PPP projects) with a net carrying amount of approximately RMB40,415 million (2023: RMB42,288 million) were pledged to secure general banking facilities and other borrowings, and certain of the Group's outstanding trade receivables from PPP projects with a net carrying amount of approximately RMB209,476 million (2023: RMB176,508 million) have been pledged to secure bank borrowings (notes 30(e) ,28(c)and 43(b)).

26. DERIVATIVE FINANCIAL INSTRUMENTS

	2024 Assets RMB million	2024 Liabilities RMB million	2023 Assets RMB million	2023 Liabilities RMB million
Forward currency contracts	–	–	–	5
– Cash flow hedges	–	–	–	5
Interest rate swap	42	–	48	–
Foreign exchange option	377	–	365	–
Total	419	–	413	5
Portion classified as non-current:				
Interest rate swap	–	–	48	–
Foreign exchange option	377	–	365	–
Current portion	42	–	–	5

27. CASH AND BANK BALANCES

	2024 RMB million	2023 RMB million
Restricted bank deposits *(note a)*	6,705	7,119
Time deposits with an initial term of over three months *(note b)*	802	3,611
Subtotal	7,507	10,730
Cash and cash equivalents *(note c)*	134,974	110,253
Total	142,481	120,983

(a) As at 31 December 2024, restricted bank deposits mainly included deposits for issuance of bank acceptance notes, performance bonds, letters of credit to customers, and mandatory reserve deposits placed with the People's Bank of China by CCCC Finance.

(b) Time deposits with an initial term of over three months are excluded from cash and cash equivalents, as management is of the opinion that these time deposits are not readily convertible to known amounts of cash without significant risk of changes in value.

(c) As at 31 December 2023, monetary funds in assets held for sale amounted to RMB154 million are classified as cash and cash equivalents.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB103,039 million (2023: RMB84,046 million). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

As at 31 December 2024, less than 3% (2023: less than 3%) of the cash and bank balances denominated in currencies other than RMB were deposited in banks in certain countries which are subject to foreign exchange control and the currencies are not freely convertible into other currencies or remitted out of those countries.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest at the respective short-term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

28. TRADE AND OTHER PAYABLES

	2024 RMB million	2023 RMB million
Trade and bills payables *(note a)*	**425,779**	391,835
Deposits from suppliers	**47,705**	45,775
Retentions	**72,552**	56,756
Deposits in CCCC Finance *(note b)*	**20,966**	13,530
Other taxes	**42,414**	39,566
Payroll and social security	**2,401**	2,762
Other borrowings *(note c)*	**31,422**	20,244
Accrued expenses and others	**55,045**	47,056
Total	**698,284**	617,524
Portion classified as non-current		
Retentions	**53,998**	43,131
Other borrowings	**3,345**	2,465
Other taxes	**597**	516
Others	**5,034**	7,009
Total non-current portion	**62,974**	53,121
Total current portion	**635,310**	564,403

(a) An ageing analysis of trade and bills payables as at the end of the reporting period is as follows:

	2024 RMB million	2023 RMB million
Within 1 year	**368,932**	343,362
1 year to 2 years	**38,354**	33,762
2 years to 3 years	**10,475**	6,595
Over 3 years	**8,018**	8,116
Total	**425,779**	391,835

(b) CCCC Finance, a subsidiary of the Company, accepted deposits from CCCG and fellow subsidiaries. These deposits were due within one year with an average annual interest rate of 1.0% (2023: 0.8%).

(c) As at 31 December 2024, the borrowings were secured by the Group's trade and other receivables, the borrowings interest ranging approximately from 1.38% to 5%.

28. TRADE AND OTHER PAYABLES (CONTINUED)

(d) The financial liabilities that are part of the Group's supplier finance arrangements are included in trade and other payables.

The Group has established supplier finance arrangements that are offered to some of the Group's key suppliers in Mainland China. Participation in the arrangements is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangements will receive early payments or payments at the original due dates on invoices sent to the Group from the Group's external finance provider. If suppliers choose to receive early payments, they pay a fee to the finance provider. In order for the finance provider to pay the invoices, the goods must have been received or supplied, and the invoices must have been approved by the Group. Payments to suppliers ahead of or at the invoice due date are processed by the finance provider and, in all cases, the Group settles the original invoice by paying the finance provider in line with the original invoice maturity date or later as agreed with the finance provider. Payment terms with suppliers have not been renegotiated in conjunction with the arrangements. The Group provides no security to the finance provider.

The Group conducts supply chain asset securitisation business through financial institutions. The original creditors (suppliers of the Group) take the accounts receivable claims under the underlying transaction contract, which they hold as a result of selling goods to the Group, providing services, etc., as the underlying assets, and issue securities to investors through the special asset support plan. The Group issues a payment confirmation letter to the special asset support plan, confirming that The Group is obligated to settle the accounts receivable claims held by the special asset support plan upon their maturity. The Group unconditionally and irrevocably fulfils the obligation to pay off the target accounts receivable before the maturity of each accounts receivable claim.

All financial liabilities that are part of the supplier finance arrangements are included in trade and other payables in the statement of financial position.

	31 December 2024 ***RMB million***
Carrying amount of financial liabilities that are part of the supplier finance arrangements included in:	
Trade and other payables	**85,778**
Of which suppliers have received payments	**63,706**

For financial liabilities that are part of the supplier finance arrangements included in trade and other payables, there were no significant non-cash changes in the carrying amounts of these financial liabilities.

29. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

	31 December 2024 ***RMB million***	31 December 2023 *RMB million*	1 January 2023 *RMB million*
Contract liabilities arising from:			
Infrastructure construction	**77,008**	63,428	66,267
Infrastructure design	**3,664**	5,397	6,689
Dredging	**3,158**	3,973	3,432
Others	**1,440**	685	1,037
Total	**85,270**	73,483	77,425

Contract liabilities mainly include short-term advances received to render construction, design and dredging services. The increase in the book value of contract liabilities for the year was mainly due to a payment received or a payment due (whichever was earlier) from a customer before the Group transferred the related goods or services.

30. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	2024 RMB million	2023 RMB million
Non-current			
Long-term bank borrowings			
– secured	(e)	**274,085**	266,124
– guaranteed	(f)	**12,293**	13,215
– unsecured or unguaranteed		**101,646**	88,290
Subtotal		**388,024**	367,629
Long-term other borrowings			
– secured	(e)	**188**	337
– guaranteed	(f)	**4,495**	3,993
– unsecured or unguaranteed		**239**	352
Subtotal		**4,922**	4,682
Corporate bonds		**33,662**	16,314
Non-public debt instruments		**16,625**	9,239
Lease liabilities	16(b)	**2,264**	1,850
Total non-current borrowings		**445,497**	399,714
Current			
Current portion of long-term bank borrowings			
– secured	(e)	**29,036**	26,118
– guaranteed	(f)	**1,743**	2,134
– unsecured or unguaranteed		**19,170**	12,236
Subtotal		**49,949**	40,488
Short-term bank borrowings			
– secured	(e)	**15,091**	6,816
– guaranteed	(f)	**648**	296
– unsecured or unguaranteed		**56,670**	41,778
Subtotal		**72,409**	48,890
Current portion of long-term other borrowings			
– secured	(e)	**34**	517
– guaranteed	(f)	**3**	–
– unsecured or unguaranteed		**134**	69
Subtotal		**171**	586
Short-term other borrowings			
– secured	(e)	**1,710**	–
– unsecured or unguaranteed		**91**	139
Subtotal		**1,801**	139
Corporate bonds		**3,485**	6,521
Debentures		**7,522**	6,030
Non-public debt instruments		**4,070**	8,332
Lease liabilities	16(b)	**1,419**	926
Total current borrowings		**140,826**	111,912
Total borrowings		**586,323**	511,626

30. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(a) The Group's borrowings (excluding lease liabilities) were repayable as follows:

	2024 RMB million	2023 RMB million
Bank borrowings		
– Within one year or on demand	**122,358**	89,378
– In the second year	**67,581**	52,241
– In the third to fifth years, inclusive	**100,705**	97,762
– Beyond five years	**219,738**	217,626
Subtotal	**510,382**	457,007
Others, excluding lease liabilities		
– Within one year or on demand	**17,049**	21,608
– In the second year	**10,487**	5,965
– In the third to fifth years, inclusive	**40,882**	20,983
– Beyond five years	**3,840**	3,287
Subtotal	**72,258**	51,843
Total	**582,640**	508,850

(b) The carrying amounts of the borrowings are denominated in the following currencies:

	2024 RMB million	2023 RMB million
Renminbi	**562,315**	481,310
United States dollar	**14,942**	23,850
Euro	**2,310**	3,159
Hong Kong dollar	**90**	91
Japanese yen	**33**	37
Others	**6,633**	3,179
Total	**586,323**	511,626

(c) An analysis of the carrying amounts of borrowings by the type of interest rate is as follows:

	2024 RMB million	2023 RMB million
Fixed interest rate	**198,496**	149,387
Variable interest rate	**387,827**	362,239
Total	**586,323**	511,626

30. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(d) Borrowings of the Group, excluding corporate bonds, debentures, non-public debt instruments, and lease liabilities, bore interest at effective rates ranging from 0.75% to 8.23% (2023: 0.89% to 8.09%) per annum at the end of the reporting period, and four overseas banks borrowing bore interest ranging from 5.62% to 18.00% (2023: 9.38% to 18.00%).

(e) As at 31 December 2024 and 2023, the borrowings were secured by the Group's property, plant and equipment (note 14), right-of-use assets (note 16(a)), concession assets and trade receivables from PPP projects (note 17, note 25), inventories (note 23) and trade and other receivables (excluding PPP projects) (note 25).

(f) Guaranteed borrowings were guaranteed by certain subsidiaries of the Company.

(g) As of 31 December, 2024, the Group's bank borrowings subject to covenant requirements had a carrying amount of RMB186,605 million. These covenants relate to financial metrics including the debt-to-asset ratio, current ratio, credit rating, net assets, and net profit.

31. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred tax liabilities

	2024			
	Fair value adjustments of equity investments at fair value through other comprehensive income *RMB million*	Undistributed profits in subsidiaries *RMB million*	Others *RMB million*	Total *RMB million*
31 December 2023	1,757	1,980	6,730	10,467
(Credited)/Charged to profit or loss during the year *(note 11)*	–	(110)	1,835	1,725
(Credited)/Charged to other comprehensive income	1,046	–	(13)	1,033
Business combinations	–	–	210	210
Disposal of subsidiaries	–	–	(25)	(25)
Exchange differences	(62)	–	(173)	(235)
Others	998	–	209	1,207
At 31 December 2024	3,739	1,870	8,773	14,382

31. DEFERRED TAX (CONTINUED)

Deferred tax assets

	2024				
	Impairment of financial assets and contract assets *RMB million*	**Tax losses** *RMB million*	**Discount on long-term receivables** *RMB million*	**Others** *RMB million*	**Total** *RMB million*
31 December 2023	**7,074**	**4,205**	**452**	**4,474**	**16,205**
Credited to profit or loss during the year *(note 11)*	**1,311**	**1,090**	**83**	**222**	**2,706**
Charged to other comprehensive income	**–**	**–**	**–**	**(345)**	**(345)**
Business combinations	**8**	**–**	**–**	**–**	**8**
Disposal of subsidiaries	**(13)**	**(6)**	**–**	**(38)**	**(57)**
Exchange differences	**(312)**	**(52)**	**(62)**	**277**	**(149)**
At 31 December 2024	**8,068**	**5,237**	**473**	**4,590**	**18,368**

Deferred tax liabilities

	2023			
	Fair value adjustments of equity investments at fair value through other comprehensive income *RMB million*	Undistributed profits in subsidiaries *RMB million*	Others *RMB million*	Total *RMB million*
31 December 2022	2,339	1,965	5,105	9,409
Effect of adoption of amendments to IAS12	–	–	92	92
At 1 January 2023 (restated)	2,339	1,965	5,197	9,501
Charged to profit or loss during the year (restated) *(note 11)*	–	15	1,693	1,708
Credited to other comprehensive income	(654)	–	(31)	(685)
Business combinations	(1)	–	(56)	(57)
Disposal of subsidiaries	–	–	(180)	(180)
Exchange differences	73	–	107	180
At 31 December 2023 (restated)	1,757	1,980	6,730	10,467

31. DEFERRED TAX (CONTINUED)

Deferred tax assets

	2023				
	Impairment of financial assets and contract assets *RMB million*	Tax losses *RMB million*	Discount on long-term receivables *RMB million*	Others *RMB million*	Total *RMB million*
31 December 2022	5,844	3,495	368	3,074	12,781
Effect of adoption of amendments to IAS12	–	–	–	93	93
At 1 January 2023	5,844	3,495	368	3,167	12,874
Credited/(Charged) to profit or loss during the year (restated) *(note 11)*	1,212	768	86	1,024	3,090
Credited/(Charged) to other comprehensive income	(6)	(20)	–	230	204
Business combinations	55	–	–	29	84
Disposal of subsidiaries	15	119	–	8	142
Exchange differences	(46)	(157)	(2)	16	(189)
At 31 December 2023 (restated)	7,074	4,205	452	4,474	16,205

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2024		2023	
	Deferred tax assets *RMB million*	**Deferred tax liabilities *RMB million***	Deferred tax assets *RMB million* (Restated)	Deferred tax liabilities *RMB million* (Restated)
The gross balance	**18,368**	**14,382**	16,205	10,467
Offsetting	**(6,833)**	**(6,833)**	(6,088)	(6,088)
Total	**11,535**	**7,549**	10,117	4,379

The Group has not recognised these losses amounting to RMB26,198 million (2023: RMB27,710 million) as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

As at 31 December 2024, the Group's unrecognised deductible provisional difference for deferred tax assets was RMB10,130 million (2023: RMB9,544 million) as the directors believe it is not probable that such deductible temporary differences would be recognised.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

31. DEFERRED TAX (CONTINUED)

The Group's unrecognised tax losses and deductible provisional difference for deferred tax assets are as follows:

	2024 RMB million	2023 RMB million
Tax losses	26,198	27,710
Deductible provisional difference	10,130	9,544

The above tax losses of RMB81 million are available indefinitely and RMB26,117 million are available within 1 to 5 years for offsetting against future taxable profits of the companies in which the losses arose.

32. RETIREMENT BENEFIT OBLIGATIONS

The Group provided supplementary pension subsidies and medical benefits to its retired or early retired employees in Mainland China who retired prior to 1 January 2006, which are considered to be defined benefit plans, and recognised a liability for the unfunded employee benefit obligations in the consolidated statement of financial position as follows:

	2024 RMB million	2023 RMB million
Present value of defined benefit obligations	939	1,009
Portion classified as current portion	95	102
Non-current portion	844	907

The movements in the present value of the defined benefit obligations are as follows:

	2024 RMB million	2023 RMB million
At 1 January	1,009	948
Past service cost	12	5
Interest cost	20	24
Subtotal	1,041	977
Remeasurements		
– Gains from changes in financial assumptions	51	14
– Experience gains	(4)	(12)
Subtotal	1,088	979
Payments	(149)	(187)
Business combinations	–	221
Liabilities held for sale	–	(4)
At 31 December	939	1,009

32. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

The above obligations were determined based on actuarial valuation performed by an independent actuary, Towers Watson Management Consulting (Shenzhen) Co., Ltd. Beijing Branch, using the projected unit credit method. The significant actuarial assumptions are as follows:

	2024	2023
Discount rate	**1.50%**	2.50%
Medical cost growth rate	**4.00%-8.00%**	4.00%-8.00%

A quantitative sensitivity analysis for significant assumptions as at the end of the reporting period is shown below:

	Impact on defined benefit obligations	
	2024	2023
	RMB million	*RMB million*
Discount rate:		
– 0.25% increase	**(16)**	(14)
– 0.25% decrease	**16**	14
Medical cost growth rate:		
– 1.00% increase	**10**	9
– 1.00% decrease	**(9)**	(8)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the retirement benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the retirement benefit obligations as it is unlikely that changes in assumptions would occur in isolation of one another.

The following undiscounted payments are expected contributions to the defined benefit plan in future years:

	2024	2023
	RMB million	*RMB million*
Within 1 year	**95**	102
1 year to 2 years	**105**	119
2 years to 5 years	**255**	284
Over 5 years	**584**	685
Total	**1,039**	1,190

The average duration of the defined benefit plan obligation at the end of the reporting period was 7 years (2023: 7 years).

33. PROVISIONS

	Provision for foreseeable losses on contract assets *RMB million*	Repair funds *RMB million*	Pending lawsuits *RMB million*	Others *RMB million*	Total *RMB million*
At 1 January 2024	**1,214**	**1,699**	**129**	**161**	**3,203**
Additional provisions	**530**	**351**	**19**	**165**	**1,065**
Business combination	**–**	**20**	**–**	**–**	**20**
Other changes in the scope of consolidation	**–**	**90**	**–**	**–**	**90**
Utilised/reversed during the year	**(414)**	**(106)**	**(60)**	**(56)**	**(636)**
Disposal of subsidiaries	**–**	**(450)**	**–**	**–**	**(450)**
At 31 December 2024	**1,330**	**1,604**	**88**	**270**	**3,292**
Non-current portion	**1,330**	**1,604**	**88**	**270**	**3,292**

	Provision for foreseeable losses on contract assets *RMB million*	Repair funds *RMB million*	Pending lawsuits *RMB million*	Others *RMB million*	Total *RMB million*
At 1 January 2023	1,608	1,448	45	64	3,165
Additional provisions	497	333	84	77	991
Business combination	–	–	–	49	49
Utilised/reversed during the year	(891)	(43)	–	(29)	(963)
Disposal of subsidiaries	–	(39)	–	–	(39)
At 31 December 2023	1,214	1,699	129	161	3,203
Non-current portion	1,214	1,699	129	161	3,203

34. SHARE CAPITAL AND PREMIUM

	2024 *RMB million*	2023 *RMB million*
Issued and fully paid:		
11,860,135,425 (2023: 11,845,185,425) A shares of RMB1.00 each	**11,860**	11,845
4,418,476,000 (2023: 4,418,476,000) H shares of RMB1.00 each	**4,419**	4,419
Total	**16,279**	16,264

34. SHARE CAPITAL AND PREMIUM (CONTINUED)

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital *RMB million*
At 1 January 2023	16,263,661,425	16,264
Issue of restricted shares *(Note (a))*	97,950,000	98
At 31 December 2023 and 1 January 2024	16,263,661,425	16,264
Issue of restricted shares *(Note (b))*	16,450,000	16
Forfeiture of restricted shares *(Note (b))*	(1,500,000)	(1)
At 31 December 2024	**16,278,611,425**	**16,279**

Notes:

(a) During the year 2023, the Company granted 97,950,000 restricted shares to its employees in the Group.

(b) During the year 2024, the Company granted 16,450,000 restricted shares to its employees in the Group, and 1,500,000 restricted shares were repurchased and cancelled.

35. SHARE-BASED PAYMENTS

On 27 April 2023, the Company's general meeting of shareholders approved the 2022 Restricted Stock Incentive Scheme (the "Scheme"). Subsequently, the Company approved the first grant under the Scheme, 97,950,000 restricted shares were granted to employees of the Group. On 5 June 2023, the Company completed the registration of the 97,950,000 restricted shares granted under the Scheme at the Shanghai branch of China Securities Depository and Clearing Co., Ltd.

On 26 January 2024, the Board of Directors of the Company approved the reserved grant under the Scheme. 16,700,000 restricted stock shares were granted to employees of the Group. On 21 February 2024, the Company completed the registration of the 16,450,000 restricted shares granted under the Scheme at the Shanghai branch of China Securities Depository and Clearing Co., Ltd.

The offer for the first grant and the reserved grant of each incentive share was accepted upon payment of RMB5.33 and RMB5.06 for each incentive share by the grantee. The unlocking dates of the incentive shares are the first trading day after 24 months, 36 months and 48 months from the date of share registration. Upon meeting the performance conditions stipulated in the Scheme, 34%, 33% and 33% of the incentive shares shall be unlocked respectively.

Both the first grant and the reserved grant are share-based payments for equity-settled transactions. The fair value of the shares granted was valued by reference to the market prices of the Company's shares at the grant date. The fair value of the restricted shares granted during the period was RMB629 million (RMB6.42 each) and RMB57 million (RMB3.45 each) on the first and the reserved grant dates, of which the Group recognised a share-based payment expense of RMB240 million during the year ended 31 December 2024 (2023: RMB146 million).

Particulars and movements of the incentive shares under the scheme：

Date of grant (based on IFRS 2)	**As at 1 January 2024** *(number of shares)*	**Granted during the year** *(number of shares)*	**Forfeited during the year** *(number of shares)*	**Exercisable as at the end of year** *(number of shares)*
27 April 2023	**96,950,000**	**–**	**(2,250,000)**	**94,700,000**
26 January 2024	**–**	**16,700,000**	**(600,000)**	**16,100,000**

36. FINANCIAL INSTRUMENTS CLASSIFIED AS EQUITY

	2024 RMB million	2023 RMB million
Perpetual securities	**31,000**	35,000

a) Renewable medium-term notes

As approved by the National Association of Financial Market Institutional Investors ("NAFMII"), one tranche of renewable medium-term note was issued by the Company in 2022, with a nominal value of RMB800 million. There is no maturity date for the renewable medium-term note and the holders have no right to receive a return of principal. The initial interest rate of the renewable medium-term notes was 3.88% per annum, which will be reset once in every three years since the issuance date. Pursuant to the terms of the renewable medium-term note, the Company may elect to defer the distribution of interest, and is not subject to any restriction as to the number of times the distribution can be deferred. The renewable medium-term note is subject to redemption in whole, at the option of the Company, three years, after the issue date, at its principal amount together with accrued interest.

b) Renewable corporate bonds

As approved by China securities regulatory commission ("CSRC"), two tranches of renewable corporate bonds were issued by the Company in 2021. The first tranche has a nominal value of RMB800 million, and the initial interest rate of this tranche of bonds was 3.6% per annum, which will be reset once in every five years since the issuance date. The second tranche has a nominal value of RMB500 million, and the initial interest rate of this tranche of bonds was 3.53% per annum, which will be reset once in every five years since the issuance date. There is no maturity date for these bonds and the holders have no right to receive a return of principal. Pursuant to the terms of these bonds, the Company may elect to defer the distribution of interest and is not subject to any restriction as to the number of times the distribution can be deferred. The Company has the right to redeem the bonds if it has the unavoidable liability to pay additional taxes for the survival of bonds due to changes or amendments to laws, regulations or judicial interpretations of relevant laws and regulations. The Company has the right to redeem the bonds if the Company can no longer account the bonds as equity in its consolidated financial statements due to changes in the accounting standards of the enterprise or other laws and regulations. Except for the above two cases, the Company has no rights or obligations to redeem the bonds.

As approved by CSRC, seven tranches of renewable corporate bonds were issued by the Company in 2022. The first tranche has a nominal value of RMB900 million, and the initial interest rate of this tranche of bonds was 3.45% per annum, which will be reset once in every five years since the issuance date. The second, third, and fourth tranche has a nominal value of RMB2,000 million, RMB3,000 million, RMB2,000 million, respectively. The initial interest rate of these tranche of bonds were 2.98%, 3.07%, 2.78% per annum, which will be reset once in every three years since the issuance date. The fifth tranche has a nominal value of RMB1,500 million, and the initial interest rate of this tranche of bonds was 2.69% per annum, which will be reset once in every three years since the issuance date. The sixth tranche has a nominal value of RMB1,500 million, and the initial interest rate of this tranche of bonds was 2.70% per annum, which will be reset once in every three years since the issuance date. The seventh tranche has a nominal value of RMB2,000 million, and the initial interest rate of this tranche of bonds was 3.20% per annum, which will be reset once in every three years since the issuance date. The Company has the right to redeem the bonds if it has the unavoidable liability to pay additional taxes for the survival of bonds due to changes or amendments to laws, regulations or judicial interpretations of relevant laws and regulations. The Company has the right to redeem the bonds if the Company can no longer account the bonds as equity in its consolidated financial statements due to changes in the accounting standards of the enterprise or other laws and regulations. Except for the above two cases, the Company has no rights or obligations to redeem the bonds.

As approved by the CSRC, two tranches of renewable corporate bonds were issued by the Company in 2023. The first tranche has a nominal value of RMB1,000 million, and the initial interest rate of this tranche of bonds was 3.10% per annum, which will be reset once in every two years since the issuance date. The second tranche has a nominal value of RMB2,000 million, and the initial interest rate of this tranche of bonds were 3.03% for type one and 3.13% for type two per annum, which will be reset once in every two years for type one and three years for type two since the issuance date. The Company has the right to redeem the bonds if it has the unavoidable liability to pay additional taxes for the survival of bonds due to changes or amendments to laws, regulations or judicial interpretations of relevant laws and regulations. The Company has the right to redeem the bonds if the Company can no longer classify the bonds as equity in its consolidated financial statements due to changes in the accounting standards of the enterprise or other laws and regulations. Except for the above two cases, the Company has no rights or obligation to redeem the bonds.

36. FINANCIAL INSTRUMENTS CLASSIFIED AS EQUITY (CONTINUED)

b) Renewable corporate bonds (continued)

As approved by the CSRC, a tranche of renewable corporate bonds was issued by the Company in 2024. This tranche has a nominal value of RMB3,000 million, and the initial interest rate of this tranche of bonds were 2.13% for type one and 2.17% for type two per annum, which will be reset once in every two years for type one and three years for type two since the issuance date. The Company has the right to redeem the bonds if it has the unavoidable liability to pay additional taxes for the survival of bonds due to changes or amendments to laws, regulations or judicial interpretations of relevant laws and regulations. The Company has the right to redeem the bonds if the Company can no longer account the bonds as equity in its consolidated financial statements due to changes in the accounting standards of the enterprise or other laws and regulations. Except for the above two cases, the Company has no rights or obligations to redeem the bonds.

c) Renewable infrastructure debt investment plans

The Company entered into two contracts with investors to implement the infrastructure debt investment plans in 2020. The first contract has a nominal value of RMB6,000 million, the initial interest rate of this contract was 4.80%, 4.72% and 4.77% per annum, which will be reset once three years after ten years of the issuance date. The second contract has a nominal value of RMB4,000 million, the initial interest rate of this contract was 4.69% per annum, which will be reset once three years after ten years of the issuance date. There is no maturity date for these contracts and the investors have no right to receive a return or principal. Pursuant to the terms of these contracts, the Company may elect to defer the distribution of interest and is not subject to any restriction as to the number of times the distribution can be deferred. These contracts are subject to redemption in whole, at the option of the Company, ten years after the issue date, at its principal amount together with accrued interest.

The directors of the Company are of the opinion that the Company has no contractual obligations to repay the principal or to pay any distribution for these renewable financial instruments and therefore these financial instruments have been classified as equity.

37. RESERVES

	Capital reserve RMB million	Statutory surplus reserve RMB million	General reserve RMB million	Remeasurement reserve RMB million	Investment revaluation reserve RMB million	Hedging reserve RMB million	Safety production reserve RMB million	Exchange reserve RMB million	Retained earnings RMB million	Total RMB million
At 31 December 2023	22,058	11,285	873	(65)	10,418	(4)	4,851	305	181,222	230,943
Business combination under common control	39	-	-	-	-	-	-	-	(6)	33
At 1 January 2024	22,097	11,285	873	(65)	10,418	(4)	4,851	305	181,216	230,976
Profit for the year	-	-	-	-	-	-	-	-	23,854	23,854
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	5,307	-	-	-	-	5,307
Cash flow hedges, net of tax	-	-	-	-	-	33	-	-	-	33
Share of other comprehensive loss of joint ventures and associates	-	-	-	-	(283)	-	-	-	-	(283)
Share of other reserves of joint ventures and associates	28	-	-	-	-	-	-	-	-	28
Actuarial loss on retirement benefit obligations, net of tax	-	-	-	(35)	-	-	-	-	-	(35)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(901)	-	(901)
Issuance of perpetual securities	(1)	-	-	-	-	-	-	-	-	(1)
Final 2023 and mid-term 2024 dividend declared	-	-	-	-	-	-	-	-	(7,042)	(7,042)
Share based payment	240	-	-	-	-	-	-	-	-	240
Business combination under common control	(66)	-	-	-	-	-	-	-	-	(66)
Transaction with non-controlling interests	(3,906)	-	-	-	-	-	-	-	-	(3,906)
Interest on perpetual securities	-	-	-	-	-	-	-	-	(1,570)	(1,570)
Transfer to statutory surplus reserve *(a)*	-	1,420	-	-	-	-	-	-	(1,420)	-
Transfer to general reserve *(b)*	-	-	550	-	-	-	-	-	(550)	-
Transfer to safety production reserve *(c)*	-	-	-	-	-	-	470	-	(470)	-
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income	-	-	-	-	(1,064)	-	-	-	1,064	-
At 31 December 2024	18,392	12,705	1,423	(100)	14,378	29	5,321	(596)	195,082	246,634

37. RESERVES (CONTINUED)

	Capital reserve *RMB million*	Statutory surplus reserve *RMB million*	General reserve *RMB million*	Remeasurement reserve *RMB million*	Investment revaluation reserve *RMB million*	Hedging reserve *RMB million*	Safety production reserve *RMB million*	Exchange reserve *RMB million*	Retained earnings *RMB million*	Total *RMB million*
At 31 December 2022	17,751	9,025	778	(64)	13,209	–	3,929	(289)	163,860	208,199
Business combination under common control	(69)	–	–	–	7	–	–	–	707	645
Accounting policy exchange	–	–	–	–	–	–	–	–	1	1
At 1 January 2023	17,682	9,025	778	(64)	13,216	–	3,929	(289)	164,568	208,845
Profit for the year	–	–	–	–	–	–	–	–	24,739	24,739
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	–	(2,729)	–	–	–	–	(2,729)
Cash flow hedges, net of tax	–	–	–	–	–	(4)	–	–	–	(4)
Share of other comprehensive loss of joint ventures and associates	–	–	–	–	24	–	–	–	–	24
Share of other reserves of joint ventures and associates	4	–	–	–	–	–	–	–	–	4
Actuarial loss on retirement benefit obligations, net of tax	–	–	–	(1)	–	–	–	–	–	(1)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	594	–	594
Issuance of perpetual securities	(15)	–	–	–	–	–	–	–	–	(15)
Final 2022 dividend declared	–	–	–	–	–	–	–	–	(3,509)	(3,509)
Share based payment	146	–	–	–	–	–	–	–	–	146
Business combination under common control	(185)	–	–	–	–	–	–	–	–	(185)
Spin-off and separate listing of three subsidiaries	4,929	–	–	–	–	–	–	–	–	4,929
Transaction with non-controlling interests	(464)	–	–	–	–	–	–	–	(5)	(469)
Interest on perpetual securities	–	–	–	–	–	–	–	–	(1,393)	(1,393)
Transfer to statutory surplus reserve *(a)*	–	2,260	–	–	–	–	–	–	(2,260)	–
Transfer to general reserve *(b)*	–	–	95	–	–	–	–	–	(95)	–
Transfer to safety production reserve *(c)*	–	–	–	–	–	–	922	–	(922)	–
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income	–	–	–	–	(93)	–	–	–	93	–
At 31 December 2023	22,097	11,285	873	(65)	10,418	(4)	4,851	305	181,216	230,976

37. RESERVES (CONTINUED)

(a) Statutory surplus reserve

In accordance with the PRC Company Law and the Company's articles of association, the Company is required to appropriate 10% of its profit after tax as determined in accordance with the relevant accounting principles and financial regulations applicable to PRC enterprises ("PRC GAAP") and regulations applicable to the Company, to the statutory surplus reserve until such reserve reaches 50% of the registered capital of the Company. The appropriation to the reserve must be made before any distribution of dividends to owners. The statutory surplus reserve can be used to offset previous years' losses, if any, and part of the statutory surplus reserve can be capitalised as the Company's share capital provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the share capital of the Company.

For the year ended 31 December 2024, the board of directors proposed an appropriation of 10% (2023: 10%) of the Company's profit after tax, as determined under PRC GAAP, of RMB1,420 million (2023: RMB2,260 million) to the statutory surplus reserve.

(b) General reserve

CCCC Finance, one of the subsidiaries of the Company, is required by the Ministry of Finance to maintain a general reserve within equity, through the appropriation of profit, which should not be less than 1.5% of the year-end balance of its risk assets.

The general reserve balance of CCCC Finance as at 31 December 2024 amounted to RMB1,423 million (2023: RMB873 million).

(c) Safety production reserve

Pursuant to certain regulations issued by the Ministry of Finance and the State Administration of Work Safety, the Group is required to set aside from profit after tax an amount to a safety production reserve at different rates ranging from 1.5% to 2% of the total construction contract revenue recognised for the year. The reserve can be utilised for improvements of safety on the construction work, and the amounts are generally expenses in nature and charged to the consolidated statement of profit or loss as incurred, and at the same time the corresponding amounts of safety production reserve fund were utilised and transferred back to retained profits until such special reserve was fully utilised.

38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

Percentage of equity interests held by non-controlling interests:

	2024 *(%)*	2023 *(%)*
CCCC (Beijing) One-term Equity Investment Fund LLP	**40.00**	40.00
CCCC First Highway Engineering Group Co., Ltd.	**18.74**	25.19
CCCC Second Highway Engineering Co., Ltd.	**23.47**	34.84
CCCC Construction Group Co., Ltd.	**19.85**	28.80
CCCC First Harbour Engineering Co., Ltd.	**13.08**	17.61
CCCC Second Harbour Engineering Co., Ltd.	**22.99**	28.50
CCCC Forth Harbour Engineering Co., Ltd.	**6.89**	13.77
Road & Bridge International Co., Ltd.	**25.22**	28.92
CCCC Urban Investment Holding Co., Ltd.	**8.06**	8.06
CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd.	**49.00**	48.45
CCCC Design Consulting Group Co., Ltd.	**50.87**	46.12
Gansu Qilianshan Cement Group Co., Ltd.	**15.00**	15.00

Profit/(loss) for the year allocated to non-controlling interests:

	2024 ***RMB million***	2023 *RMB million*
CCCC (Beijing) One-term Equity Investment Fund LLP	**–**	11
CCCC First Highway Engineering Group Co., Ltd.	**217**	348
CCCC Second Highway Engineering Co., Ltd.	**157**	200
CCCC Construction Group Co., Ltd.	**186**	281
CCCC First Harbour Engineering Co., Ltd.	**188**	225
CCCC Second Harbour Engineering Co., Ltd.	**283**	385
CCCC Forth Harbour Engineering Co., Ltd.	**105**	174
Road & Bridge International Co., Ltd.	**203**	274
CCCC Urban Investment Holding Co., Ltd.	**101**	101
CCCC Design Consulting Group Co., Ltd.	**914**	314
Gansu Qilianshan Cement Group Co., Ltd.	**82**	(11)

38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

Dividends distributed to non-controlling interests:

	2024 RMB million	2023 RMB million
CCCC (Beijing) One-term Equity Investment Fund LLP	–	42
CCCC First Highway Engineering Group Co., Ltd.	389	311
CCCC Second Highway Engineering Co., Ltd.	221	199
CCCC Construction Group Co., Ltd.	292	282
CCCC First Harbour Engineering Co., Ltd.	241	226
CCCC Second Harbour Engineering Co., Ltd.	395	392
CCCC Forth Harbour Engineering Co., Ltd.	184	174
Road & Bridge International Co., Ltd.	300	282
CCCC Urban Investment Holding Co., Ltd.	101	101
CCCC Design Consulting Group Co., Ltd.	349	–

Accumulated balances of non-controlling interests at the reporting date:

	2024 RMB million	2023 RMB million
CCCC (Beijing) One-term Equity Investment Fund LLP	2,690	3,739
CCCC First Highway Engineering Group Co., Ltd.	3,332	4,111
CCCC Second Highway Engineering Co., Ltd.	1,868	2,498
CCCC Construction Group Co., Ltd.	2,229	2,874
CCCC First Harbour Engineering Co., Ltd.	1,925	2,463
CCCC Second Harbour Engineering Co., Ltd.	4,023	4,895
CCCC Forth Harbour Engineering Co., Ltd.	1,195	2,123
Road & Bridge International Co., Ltd.	3,090	3,488
CCCC Urban Investment Holding Co., Ltd.	1,313	1,313
CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd.	2,301	2,068
CCCC Design Consulting Group Co., Ltd.	7,914	5,979
Gansu Qilianshan Cement Group Co., Ltd.	1,741	1,661

38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

2024	CCCC (Beijing) One-term Equity Investment Fund LLP *RMB million*	CCCC First Highway Engineering Group Co., Ltd. *RMB million*	CCCC Second Highway Engineering Co., Ltd. *RMB million*	CCCC Construction Group Co., Ltd. *RMB million*	CCCC First Harbour Engineering Co., Ltd. *RMB million*	CCCC Second Harbour Engineering Co., Ltd. *RMB million*	CCCC Forth Harbour Engineering Co., Ltd. *RMB million*	Road & Bridge International Co., Ltd. *RMB million*	CCCC Urban Investment Holding Co., Ltd. *RMB million*	CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd *RMB million*	CCCC Design Consulting Group Co., Ltd. *RMB million*	Gansu Qilianshan Cement Group Co., Ltd. *RMB million*
Revenue	-	130,967	76,496	35,382	52,705	80,430	51,519	57,524	9,665	225	12,323	5,224
Profit for the year	1	2,877	2,482	551	1,553	2,318	2,715	2,416	1,473	-	1,787	351
Total comprehensive income	1	2,943	2,524	503	1,599	2,309	2,749	2,474	1,486	-	1,778	351
Current assets	122	102,983	39,454	42,985	50,979	76,736	33,595	36,396	46,026	151	21,031	2,579
Non-current assets	6,878	140,614	60,474	53,599	43,878	64,651	66,028	68,670	41,002	16,515	9,712	10,177
Current liabilities	57	141,401	60,090	60,462	61,331	83,793	45,229	51,169	27,777	3,582	12,207	3,175
Non-current liabilities	-	57,376	17,939	17,136	12,373	26,422	25,090	27,647	33,263	7,714	3,175	408
Net cash flows (used in)/generated from operating activities	(23)	4,912	4,117	(2,261)	2,554	2,127	3,237	1,135	(1,875)	(2,192)	(306)	1,264
Net cash flows (used in)/generated from investing activities	2,454	(6,525)	(552)	(1,278)	(375)	1,600	(5,358)	(5,956)	(5,142)	-	875	(366)
Net cash flows (used in)/generated from financing activities	(2,431)	7,716	(2,358)	3,375	1,142	985	3,612	5,876	9,882	2,306	622	(1,040)
Exchange gains/(losses) on cash and cash equivalents	-	-	(3)	-	-	(12)	(3)	1	-	-	5	-
Net increase/(decrease) in cash and cash equivalents	-	6,103	1,204	(164)	3,321	4,700	1,488	1,056	2,865	114	1,196	(142)

38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations: (continued)

2023	CCCC (Beijing) One-term Equity Investment Fund LLP *RMB million*	CCCC First Highway Engineering Group Co., Ltd. *RMB million*	CCCC Second Highway Engineering Co., Ltd. *RMB million*	CCCC Construction Group Co., Ltd. *RMB million*	CCCC First Harbour Engineering Co., Ltd. *RMB million*	CCCC Second Harbour Engineering Co., Ltd. *RMB million*	CCCC Third Harbour Engineering Co., Ltd. *RMB million*	CCCC Forth Harbour Engineering Co., Ltd. *RMB million*	Road & Bridge International Co., Ltd. *RMB million*	CCCC Urban Investment Holding Co., Ltd. *RMB million*	CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd *RMB million*	CCCC Design Consulting Group Co., Ltd. *RMB million*	Gansu Qilianshan Cement Group Co., Ltd. *RMB million*
Revenue	–	130,175	73,619	43,131	54,009	88,151	50,249	50,345	54,977	12,337	–	13,369	6,958
Profit for the year	27	2,711	2,301	1,487	1,543	2,228	831	3,409	2,593	2,584	–	1,795	659
Total comprehensive income	27	2,710	2,328	1,484	1,552	2,227	871	3,228	2,580	2,572	–	1,756	659
Current assets	–	83,602	33,123	34,946	42,696	81,058	43,114	28,167	33,146	35,420	28	17,871	2,510
Non-current assets	9,439	129,643	55,101	49,951	44,911	60,696	42,336	58,158	56,117	34,702	12,359	9,621	9,587
Current liabilities	65	114,934	49,626	49,715	53,191	86,193	55,836	42,209	44,770	24,926	1,952	11,649	3,003
Non-current liabilities	–	56,492	18,449	15,325	13,126	24,918	12,452	15,837	20,061	20,995	6,167	3,046	257
Net cash flows (used in)/generated from operating activities	–	1,970	4,584	103	2,377	1,562	3,814	5,055	542	1,307	(2,141)	10	1,919
Net cash flows (used in)/generated from investing activities	42	(25,050)	(4,447)	(4,263)	(4,301)	(3,730)	(2,113)	(6,243)	(7,862)	(13,221)	–	(112)	(585)
Net cash flows (used in)/generated from financing activities	(42)	23,402	855	4,595	2,466	(199)	(681)	1,307	8,956	12,174	2,119	(2,082)	(179)
Exchange gains/(losses) on cash and cash equivalents	–	2	(4)	(6)	–	(7)	10	(26)	(1)	–	–	6	–
Net increase/(decrease) in cash and cash equivalents	–	324	988	429	542	(2,374)	1,030	93	1,635	260	(22)	(2,178)	1,155

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group has below significant non-cash transactions:

	2024 *RMB million*	2023 *RMB million*
Increase in right-of-use assets (excluding leasehold land)	**2,437**	1,951
Bank acceptance bills endorsed settlement of trade and other payables	**640**	1,117

(b) Changes in liabilities arising from financing activities

2024	Bank and other loans *RMB million*	Lease liabilities *RMB million*	Corporate bonds *RMB million*	Debentures *RMB million*	Non-public debt instruments *RMB million*	Dividend *RMB million*	Stock repurchase *RMB million*	Total *RMB million*
At 31 December 2023	**482,657**	**2,776**	**22,835**	**6,030**	**17,571**	**2,775**	**522**	**535,166**
Changes from financing cash flows	**49,905**	**(1,607)**	**12,332**	**853**	**1,961**	**(12,194)**	**(8)**	**51,242**
New leases	**–**	**2,400**	**–**	**–**	**–**	**–**	**–**	**2,400**
Foreign exchange movement	**(85)**	**69**	**–**	**–**	**–**	**–**	**–**	**(16)**
Declared dividends	**–**	**–**	**–**	**–**	**–**	**14,350**	**–**	**14,350**
Interest expense	**20,931**	**200**	**873**	**679**	**606**	**–**	**–**	**23,289**
Increase arising from business combinations	**13,213**	**4**	**–**	**–**	**–**	**3**	**–**	**13,220**
Decrease arising from disposal of subsidiaries	**(26,070)**	**–**	**–**	**–**	**564**	**(2)**	**–**	**(25,508)**
Others	**8,149**	**(159)**	**1,107**	**(40)**	**(7)**	**–**	**83**	**9,133**
At 31 December 2024	**548,700**	**3,683**	**37,147**	**7,522**	**20,695**	**4,932**	**597**	**623,276**

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Changes in liabilities arising from financing activities (continued)

2023	Bank and other loans *RMB million*	Lease liabilities *RMB million*	Corporate bonds *RMB million*	Debentures *RMB million*	Non-public debt instruments *RMB million*	Dividend *RMB million*	Stock repurchase *RMB million*	Total *RMB million*
At 31 December 2022	424,965	2,386	20,146	8,532	14,124	2,096	–	472,249
Changes from financing cash flows	57,830	(1,673)	1,838	(3,161)	2,970	(10,775)	–	47,029
New leases	–	1,821	–	–	–	–	–	1,821
Foreign exchange movement	437	–	–	–	–	–	–	437
Declared dividends	–	–	–	–	–	11,457	–	11,457
Interest expense	21,469	232	812	670	467	–	–	23,650
Increase arising from business combinations	11,897	10	–	–	–	–	–	11,907
Decrease arising from disposal of subsidiaries	(39,750)	–	–	–	–	(3)	–	(39,753)
Others	5,809	–	39	(11)	10	–	522	6,369
At 31 December 2023	482,657	2,776	22,835	6,030	17,571	2,775	522	535,166

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2024 *RMB million*	2023 *RMB million*
Within operating activities	**2,534**	1,797
Within investing activities	**671**	906
Within financing activities	**1,607**	1,796
Total	**4,812**	4,499

40. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE COMMITMENT

(i) Claims

The Group has been named defendants in a number of lawsuits arising in the ordinary course of business. Provision has been made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits taking into account the legal advice. No provision has been made for those pending lawsuits with a maximum compensation amount of RMB4,347 million (31 December 2023: RMB2,894 million) related mainly to disputes with customers and subcontractors, as the outcome of the lawsuits cannot be reasonably estimated or management believes the outflow of resources is not probable. Pending lawsuits of which the probability of loss is remote or the claim amount is insignificant to the Group were not included in the above.

(ii) Loan guarantees

(a) The Group has acted as the guarantor for several borrowings of RMB3,522 million (31 December 2023: RMB3,714 million) made by certain joint ventures and associates of the Group. The above amount represents the maximum exposure to default risk under the loan guarantee.

(b) The Group provides guarantees to banks for the mortgage loans of the property buyers in certain real estate projects. As at 31 December 2024, the outstanding balance of guarantees provided by the Group was approximately RMB4,592 million (31 December 2023: RMB4,462 million).

(iii) Liquidity support

The Group has entered into certain agreements with financial institutions to set up asset-backed securities (ABS) and asset-backed notes (ABN) arrangements. As at 31 December 2024, out of the ABS and ABN in issue with an aggregate amount of RMB71,254 million (31 December 2023: RMB72,543 million), RMB59,784 million (31 December 2023: RMB67,089 million) had been issued to preferential investors. Under the clauses of the agreements, the Group is subject to the obligations of liquidity supplementary payments to preferential investors when the cash available for distribution of the principal and return to preferential investors at the due date is not sufficient.

As of 31 December 2024, no provision has been made for the above liquidity supports as management estimates the outflow of resources is not probable.

41. BUSINESS COMBINATIONS

(a) Acquisition of subsidiaries not under common control

In December 2022, the Intermediate People's Court of Sanya, Hainan Province ruled that Sanya Phoenix Island International Cruise Terminal Development Co., Ltd.* (三亞鳳凰島國際郵輪港發展有限公司) and its subsidiaries Sanya Phoenix Island Development Co., Ltd.* (三亞鳳凰島發展有限公司) and Sanya Phoenix Island Real Estate Co., Ltd.* (三亞鳳凰島置業有限公司) (the "Three Companies including Cruise Terminal") should be substantially merged and reorganised (the "Reorganisation Plan"). According to the Reorganisation Plan, the unsecured claims of CCCC Ocean Investment Holding Company Limited* (中交海洋投資控股有限公司) ("CCCC Ocean Investment"), a subsidiary of the Company, to the restructuring entity have been converted into the equity of newly established Sanya Huangzhuo Investment Co., Ltd.* (三亞凰卓投資有限公司) ("Huangzhuo Company"), and it has been served as capital injection into Huangzhuo Company by CCCC Ocean Investment as a restructuring investor. During the year, the Reorganisation Plan has been completed and CCCC Ocean Investment has obtained 60.40% equity in and the control of Huangzhuo Company and included it in the consolidated scope.

In addition, during the year ended 31 December 2024, the Group obtained control over several companies from certain independent third parties, at a total consideration of RMB4,587 million. The Group has elected to measure the non-controlling interests in these companies at the non-controlling interests' proportionate shares of identifiable net assets of these companies.

The fair values of identifiable assets and liabilities of all the acquired companies at the date of acquisition were as follows:

	Acquisition date fair value *RMB million*
Non-current assets	9,207
Current assets	7,022
Current liabilities	(3,584)
Non-current liabilities	(7,796)
Total identifiable net assets at fair value	4,849
Non-controlling interests	(457)
Goodwill on acquisition	201
Gain on bargain purchase recognised in other income and gains in the consolidated statement of profit or loss	(6)
Consideration	4,587

41. BUSINESS COMBINATIONS (CONTINUED)

(a) Acquisition of subsidiaries not under common control (continued)

An analysis of the cash flows in respect of the acquisition of subsidiaries is as follows:

	2024 *RMB million*
Cash consideration	**1,606**
Cash and bank balances acquired	**599**
Net outflow of cash and cash equivalents included in cash flows from investing activities	**1,007**

Since the acquisition, the acquirees contributed RMB551 million to the Group's revenue and caused an income of RMB79 million to the Group's profit for the year ended 31 December 2024.

Had the combination taken place at the beginning of the year, the revenue of the Group and the profit of the Group for the year would have been RMB768,416 million and RMB30,449 million, respectively.

(b) Acquisition of a subsidiary under common control

During the year, the Group obtained control over China Communications Construction (Xiamen) E-commerce Co., Ltd through a capital increase. In the same year, the Group acquired China Zhibao Investment Co., Ltd. from China Real Estate Development Group Co., Ltd.

Since the merged companies and the Group are both under common control of CCCG before and after the acquisition, the acquisition is accounted for as merger accounting, i.e., the assets and liabilities of the merged companies are consolidated by the Group using the existing book values from the CCCG's perspective, as if the current group structure had been in existence throughout the periods presented, with the difference between the book value of the net assets of the merged companies and the consideration directly credited to equity. The comparative figures of the consolidated financial statements have also been restated as a result of the merger accounting.

The book values of the merged companies' assets and liabilities as at the merger date and 31 December 2023 were as follows:

	Merger date Book value *RMB million*	31 December 2023 Book value *RMB million*
Non-current assets	39	38
Current assets	468	176
Current liabilities	(297)	(119)
Net assets	210	95
Non-controlling interest	64	
Difference directly credited to equity	2	
Cash consideration	144	

41. BUSINESS COMBINATIONS (CONTINUED)

(c) Asset acquisition

During the year, the Group acquired the majority shareholdings previously held by third parties in Guizhou Zhongjiao Guiweng Expressway Co., Ltd. ("Guiweng") at a total cash consideration of RMB844 million and obtained control over the company.

The Group acquired the majority shareholdings previously held by third parties in Hanzhong Zhongjiao Infrastructure Investment Co., Ltd. ("Hanzhong") at a total cash consideration of RMB54 million and obtained control over the company.

On an acquisition-by-acquisition basis, the Group determined these acquisitions to be asset acquisition instead of business acquisition since substantially all of the fair value of the gross assets acquired is concentrated on a single identifiable asset the acquired company.

The financial information of the relevant assets at the time of acquisition is listed as follows:

	Acquisition date *RMB million*
Intangible assets	8,401
Other non-current assets	1,103
Other assets	443
Total liabilities	(7,620)
Fair value of identifiable net assets on acquisition date	2,327
Non controlling interest	(13)
Consideration	2,314
Satisfied by cash	898
Book value of the equity interests previously held by the Group	1,416
An analysis of the cash flows in respect of the asset acquisition is as follows:	
Cash paid for asset acquisition	898
Cash and bank balances of assets acquired	57
Net outflow of cash and cash equivalents in respect of asset acquisition	841

42. DISPOSAL OF SUBSIDIARIES

(i) Information about the subsidiaries being disposed of:

The subsidiaries of the Company, including Guizhou CCCC Anjiang Expressway Co., Ltd.* (貴州中交安江高速公路有限公司), Chongqing CCCC Yuwu Expressway Co., Ltd.* (重慶中交渝武高速公路有限公司), CCCC (Dalian) Real Estate Development Co., Ltd.* (中交(大連)置業發展有限公司) and Hubei CCCC Wushen Expressway Co., Ltd.* (湖北中交武深高速公路有限公司), were disposed of at a total consideration of RMB11,171 million. Upon completion of these transactions, the Group no longer has control over these companies.

(ii) The financial information of subsidiaries disposed of by the Group at the date of disposal is as follows:

	2024 ***RMB million***	2023 *RMB million*
Non-current assets	**34,046**	57,490
– Intangible assets *(note 17)*	**29,042**	41,655
Current assets	**11,277**	3,089
Current liabilities	**(7,210)**	(5,591)
Non-current liabilities	**(27,552)**	(41,720)
Subtotal	**10,561**	13,268
Non-controlling interests	**(614)**	(2,027)
Subtotal	**9,947**	11,241
Gains on disposal of subsidiaries *(note 5)*	**2,219**	518
Total considerations	**12,166**	11,759
Represented by:		
Fair values of residual interests in joint ventures	**879**	4,183
Fair values of residual interests in associates	**96**	584
Financial assets at fair value through profit or loss	**8**	420
Financial assets at fair value through OCI	**12**	–
Consideration	**11,171**	6,572
Total	**12,166**	11,759

(iii) An analysis of the cash flows in respect of the disposal of subsidiaries is as follows:

	2024 ***RMB million***	2023 *RMB million*
Cash received from disposal of subsidiaries in current year	**8,528**	3,578
Cash and bank balances of subsidiaries disposed of	**(4,266)**	(850)
Cash received from disposal of subsidiaries in prior years	**1,297**	1,438
Cash received from equity transfer proceeds received in advance this year	**–**	922
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	**5,559**	5,088

(iv) During the year, the Company's subsidiary, Beijing North Huade Neoplan Bus Co., Ltd. ("Huade Neoplan Company"), went into bankruptcy liquidation due to its inability to pay off maturing debts and apparent lack of solvency, and was transferred to the administrator, Beijing Jintai Law Firm. As at the transfer date, the assets of Huade Neoplan Company were RMB116 million, liabilities were RMB900 million, and net liabilities were RMB784 million. Cash and cash equivalents of transferred assets were RMB7 million.

43. PLEDGE OF ASSETS

(a) At 31 December 2024, the restricted deposits were RMB6,705 million (2023: RMB7,119 million).

(b) Details of the Group's assets secured for interest-bearing bank and other borrowings are as follows:

	2024 RMB million	2023 RMB million
Property, plant and equipment *(note 14)*	**3,680**	782
Right-of-use assets *(note 16(a))*	**9,388**	9,015
Concession assets and trade receivables from PPP projects *(note 17, note 25)*	**353,893**	306,321
Inventories *(note 23)*	**20,806**	18,199
Trade and other receivables (excluding PPP projects) *(note 25)*	**40,415**	42,288
Total	**428,182**	376,605

44. COMMITMENTS

(i) Capital expenditure commitments

Capital expenditure contracted for but not yet incurred at the end of the reporting period was as follows:

	2024 RMB million	2023 RMB million
Intangible assets – concession assets	**111,827**	51,388
Property, plant and equipment	**1,411**	1,713
Others	**921**	–
Total	**114,159**	53,101

(ii) Other commitment

In accordance with the financial services framework agreement between CCCC Finance and CCCG, CCCC Finance provides financial services to CCCG and its subsidiaries. In 2024, the maximum daily balance of loan services under the deposit services and loan services framework agreement is RMB43,617 million, the maximum daily balance of guarantee letter services under the guarantee letter services framework agreement is RMB7,014 million, and the maximum daily balance of bills issuance services and bonds subscription under the other credit services framework agreement is RMB1,946 million.

45. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

	2024 *RMB million*	2023 *RMB million*
Transactions with CCCG		
– Revenue from the provision of construction services and construction-related services	**6,484**	3,416
– Rental income	**–**	3
– Rental charges	**300**	296
– Interest expenses on deposits placed in CCCC Finance	**7**	28
– Loans to CCCG by CCCC Finance	**1,000**	3,000
– Interest income from loans provided by CCCC Finance	**54**	84
– Other borrowings from CCCG	**13,413**	3,961
– Interest expenses on loans	**–**	39
Transactions with fellow subsidiaries		
– Revenue from the provision of construction and construction-related services	**7,923**	10,593
– Revenue from sale of goods	**579**	831
– Rental income	**59**	30
– Interest expenses on deposits placed in CCCC Finance	**156**	60
– Loans from fellow subsidiaries	**–**	100
– Interest expenses on loans	**8**	5
– Purchases of materials	**2,442**	2,889
– Subcontracting and service charges	**2,333**	3,095
– Rental charges	**35**	36
– Loans to fellow subsidiaries by CCCC Finance	**2,640**	1,395
– Interest income from loans provided by CCCC Finance	**63**	24
– Factoring to fellow subsidiaries	**607**	440
– Interest income from factoring	**33**	20
– Finance lease loans to fellow subsidiaries	**894**	699
– Interest income from finance lease loans	**52**	69

45. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year: (continued)

	2024 *RMB million*	2023 *RMB million*
Transactions with fellow subsidiaries' joint ventures and associates		
– Interest income from finance lease loans	**1**	5
– Factoring to fellow subsidiaries' joint ventures and associates	**–**	320
– Interest income from factoring	**10**	8
– Revenue from the provision of construction and construction-related services	**666**	573
Transactions with joint ventures and associates		
– Revenue from the provision of construction and construction-related services	**48,065**	59,815
– Revenue from sale of goods	**102**	48
– Purchases of materials	**209**	530
– Subcontracting and service charges	**579**	2,344
– Rental income	**38**	45
– Interest expense on deposits placed in CCCC Finance	**31**	30
– Loans from joint ventures and associates	**5,071**	7,673
– Interest expenses on loans	**36**	47
– Loans to a joint venture by CCCC Finance	**–**	–
– Interest income from loans by CCCC Finance	**7**	7
– Loans to joint ventures and associates	**9,699**	6,514
– Interest income from other loans	**496**	573
– Factoring to joint ventures and associates	**160**	131
– Interest income from factoring	**16**	21
– Finance lease loans to joint ventures and associates	**–**	92
– Interest income from finance lease loans	**54**	135

These transactions were carried out by reference to the prices and terms that would be available to third parties in the ordinary course of business.

ZPMC is an associate and also a fellow subsidiary of the Company. The transaction with ZPMC and its subsidiaries for 2024 and 2023, and the outstanding balances with ZPMC and its subsidiaries as at 31 December 2024 and 31 December 2023 were included in the category of transactions and balances with fellow subsidiaries.

45. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties:

Balances with related parties other than government-related entities:

	2024 RMB million	2023 RMB million
Trade and bills receivables due from		
– CCCG	**637**	478
– Fellow subsidiaries	**2,863**	2,716
– Joint ventures and associates	**7,892**	7,894
– Fellow subsidiaries' joint ventures	**31**	47
Subtotal	**11,423**	11,135
Long-term trade receivables due from		
– CCCG	**2,930**	2,030
– Fellow subsidiaries	**6,440**	6,273
– Joint ventures and associates	**26,120**	20,805
– Fellow subsidiaries' joint ventures	**223**	200
Subtotal	**35,713**	29,308
Prepayments to		
– Fellow subsidiaries	**577**	256
– Joint ventures and associates	**266**	615
– Fellow subsidiaries' joint ventures	**–**	4
Subtotal	**843**	875
Other receivables due from*		
– CCCG	**1,487**	3,541
– Fellow subsidiaries	**4,709**	3,167
– Joint ventures and associates	**9,803**	11,033
– Fellow subsidiaries' joint ventures	**–**	8
Subtotal	**15,999**	17,749
Contract assets		
– CCCG	**–**	203
– Fellow subsidiaries	**93**	2,008
– Joint ventures and associates	**7,845**	5,764
– Fellow subsidiaries' joint ventures	**9**	61
Subtotal	**7,947**	8,036
Total	**71,925**	67,103

* Except for those loans to related parties included in other receivables which are interest-bearing, outstanding balances with related parties are unsecured, interest-free and repayable in cash.

45. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties: (continued)

	2024 RMB million	2023 RMB million
Trade and bills payables due to		
– Fellow subsidiaries	**4,595**	4,221
– Joint ventures and associates	**1,891**	1,757
– Fellow subsidiaries' joint ventures	**20**	24
Subtotal	**6,506**	6,002
Long-term trade payables due to		
– CCCG	**–**	–
– Fellow subsidiaries	**2,573**	2,715
– Joint ventures and associates	**1,153**	364
– Fellow subsidiaries' joint ventures	**1**	7
Subtotal	**3,727**	3,086
Contract liabilities		
– CCCG	**320**	81
– Fellow subsidiaries	**1,080**	521
– Joint ventures and associates	**4,803**	6,093
– Fellow subsidiaries' joint ventures	**27**	36
Subtotal	**6,230**	6,731
Other payables*		
– CCCG	**12,465**	1,713
– Fellow subsidiaries	**17,479**	10,184
– Joint ventures and associates	**8,918**	8,371
– Fellow subsidiaries' joint ventures	**1**	–
Subtotal	**38,863**	20,268
Other borrowings		
– Fellow subsidiaries	**50**	–
Lease liabilities		
– Fellow subsidiaries	**9**	–
– Joint ventures and associates	**123**	–
Total	**55,508**	36,087

* Including deposits from related parties

45. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Guarantees with related parties:

	2024 RMB million	2023 RMB million
Outstanding loan guarantees provided to		
– Joint ventures	**1,707**	1,952
– Associates	**1,815**	1,762
Total	**3,522**	3,714
Outstanding guarantees provided by CCCG	**9,102**	9,102

(d) Commitments with related parties:

	2024 RMB million	2023 RMB million
Provision of construction services		
– CCCG	**6,602**	5,909
– Fellow subsidiaries	**17,459**	16,010
– Joint ventures and associates	**80,446**	83,389
– Fellow subsidiaries' joint ventures	**1,698**	489
Total	**106,205**	105,797
Purchase of services and goods		
– Fellow subsidiaries	**2,779**	4,136
– Joint ventures and associates	**858**	1,196
Total	**3,637**	5,332

(e) Key management compensation:

	2024 RMB'000	2023 RMB'000
Short term employee benefits	**10,689**	11,036
Post-employment benefits	**659**	659
Total	**11,348**	11,695

45. RELATED PARTY TRANSACTIONS (CONTINUED)

(f) Equity transactions with related parties

During the year ended 31 December 2024, the Group contributed RMB792 million in total to share capitals of companies set up together with fellow subsidiaries of CCCG.

(g) Other transactions with related parties

a) In 2024, the Group obtained control over China Communications E-commerce through a capital increase.

b) In 2024, the Group acquired the majority shareholdings previously held by third parties in Guiweng, a joint venture of the Group, at a total cash consideration of RMB844 million and obtained control over the company.

c) As of 31 December 2024, CCCC Finance, a subsidiary of the Company, provided migrant workers' wage guarantees, advance payment guarantees and performance guarantees to related parties in the amount of RMB913 million (31 December 2023: RMB998 million).

d) In accordance with the financial services framework agreement between CCCC Finance and CCCG, CCCC Finance provides financial services to CCCG and its subsidiaries. In 2024, the maximum daily balance of loan services under the deposit services and loan services framework agreement is RMB43,617 million, the maximum daily balance of guarantee letter services under the guarantee letter services framework agreement is RMB7,014 million, and the maximum daily balance of bills issuance services and bonds subscription under the other credit services framework agreement is RMB1,946 million.

e) As of 31 December 2024, the outstanding balances of the bond investments in China Communications Real Estate Group Co., Ltd., held by CCCC Finance was RMB800 million and during the year, the interest of RMB30 million was accrued and recovered.

f) During the period, the Group signed agreements with ZPMC and CCCG Overseas Real Estate Pte. Ltd. to acquire 25.79% equity interest in CCCC South America Regional Company S.à.r.l.* (中國交建南部美洲區域公司), a subsidiary of CCCG, at a consideration of RMB288 million. Upon completion of the transaction, the Group held 100% equity interest in CCCC South America Regional Company S.à.r.l.

g) During the period, the Company's subsidiaries, CCCC Fourth Harbour Engineering Co., Ltd., CCCC Haosheng City Construction Development Co., Ltd.* (中交豪生城市建設發展有限公司), CCCC East China Investment Limited* (中交華東投資有限公司), CCCC Investment Co., Ltd. and CCCG Real Estate Corporation Limited* (中交地產股份有限公司), intended to reduce the capital of CCCC Huachuang Real Estate (Suzhou) Co., Ltd.* (中交華創地產(蘇州)有限公司) by a total of RMB750 million in the proportion of 10%:10%:10%:10%:60%. The transaction was completed in July 2024.

h) China Harbour Engineering Co., Ltd., a subsidiary of the Company, intends to jointly establish a project company in Botswana with China International Water & Electric Corp. and a local partner in Botswana in the proportion of 55%:30%:15% to invest in the construction and operation of the 100MW photovoltaic power station project in Jwaneng, Botswana. China Harbour Engineering Co., Ltd. holds a 55% equity interest in the project, with a capital contribution in cash of approximately US$11 million (equivalent to approximately RMB78 million), involving a one-off connected transaction amounting to approximately US$11 million. The above transaction has not yet been completed as at the date of approval of this consolidated financial information.

i) On 1 November 2024, CCCG, China Communications Real Estate, CCCG Real Estate (both being subsidiaries of CCCG), CCCC Investment and CFHEC (both being subsidiaries of the Company) entered into the Equity Transfer Agreement, pursuant to which, CCCG, China Communications Real Estate, CCCC Investment and CFHEC have conditionally agreed to sell and CCCG Real Estate has conditionally agreed to acquire 10%, 51%, 15% and 24% equity interests in China Communications Property Service at a consideration of RMB70 million, RMB357 million, RMB105 million and RMB168 million respectively. The transaction was completed in December 2024.

46. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2024

Financial assets

	Financial assets at fair value through other comprehensive income		Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	Debt investments *RMB million*	Equity investments *RMB million*	Held for trading *RMB million*	*RMB million*	*RMB million*
Financial assets at fair value through profit or loss	–	–	27,931	–	27,931
Equity investments designated at fair value through other comprehensive income	–	27,180	–	–	27,180
Derivative financial instruments	–	–	419	–	419
Debt investments at amortised cost	–	–	–	1,322	1,322
Trade and other receivables excluding prepayments and other non-financial assets	1,134	–	–	550,693	551,827
Cash and bank balances	–	–	–	142,481	142,481
Total	1,134	27,180	28,350	694,496	751,160

Financial liabilities

	Financial liabilities at fair value through profit or loss *RMB million*	Financial liabilities at amortised cost *RMB million*	Total *RMB million*
Borrowings (excluding lease liabilities)	–	614,062	614,062
Trade and bills payables *(note 28)*	–	425,779	425,779
Deposits from suppliers *(note 27)*	–	47,705	47,705
Retentions *(note 28)*	–	72,552	72,552
Deposits in CCCC Finance *(note 27)*	–	20,966	20,966
Financial liabilities included in other payables and accruals	–	53,815	53,815
Total	–	1,234,879	1,234,879

46. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

2023

Financial assets

	Financial assets at fair value through other comprehensive income		Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	Debt investments *RMB million*	Equity investments *RMB million*	Held for trading *RMB million*	*RMB million*	*RMB million*
Financial assets at fair value through profit or loss	–	–	28,154	–	28,154
Equity investments designated at fair value through other comprehensive income	–	21,425	–	–	21,425
Derivative financial instruments	–	–	413	–	413
Debt investments at amortised cost	–	–	–	1,240	1,240
Trade and other receivables excluding prepayments and other non-financial assets	961	–	–	505,315	506,276
Cash and bank balances	–	–	–	120,983	120,983
Total	961	21,425	28,567	627,538	678,491

Financial liabilities

	Financial liabilities at fair value through profit or loss *RMB million*	Financial liabilities at amortised cost *RMB million*	Total *RMB million*
Borrowings (excluding lease liabilities)	–	529,094	529,094
Derivative financial instruments	5	–	5
Trade and bills payables *(note 28)*	–	391,835	391,835
Deposits from suppliers *(note 27)*	–	45,775	45,775
Retentions *(note 28)*	–	56,756	56,756
Deposits in CCCC Finance *(note 27)*	–	13,530	13,530
Financial liabilities included in other payables and accruals	–	46,011	46,011
Total	5	1,083,001	1,083,006

47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than lease liabilities and those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2024	2023	**2024**	2023
	RMB million	*RMB million*	***RMB million***	*RMB million*
Financial liabilities				
Non-current				
Bank borrowings	**388,024**	367,629	**387,939**	367,564
Corporate bonds	**33,662**	16,314	**32,876**	16,419
Non-public debt instruments	**16,625**	9,239	**15,834**	8,903
Other borrowings (other than lease liabilities)	**4,922**	4,682	**5,125**	4,719
Total	**443,233**	397,864	**441,774**	397,605

Management has assessed that the fair values of cash and bank balances, financial assets included in trade and other receivables, and financial liabilities included in trade and other payables approximate to their carrying amounts.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank and other borrowings and non-public debt instruments (excluding lease liabilities) have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings and non-public debt instruments (excluding lease liabilities) as at 31 December 2024 were assessed to be insignificant.

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation techniques. The valuation models used mainly comprise the discounted cash flow model and the market comparable corporate model. The inputs of the valuation technique mainly include future cash flows, PBR (price/book ratio) of companies in same category and unit prices of comparable property.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with high credit ratings. Derivative financial instruments, including forward currency contracts, interest rate swaps and total return swaps, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts interest rate swaps and total return swaps are the same as their fair values.

As at 31 December 2024, the mark-to-market value of the derivative asset position was net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

Fair value measurement categorised within level 3 adopts discounted cash flow method. The unobservable inputs are weighted average capital costs and long-term growth rates.

47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments have been estimated by the most appropriate valuation techniques based on assumptions that are not supported by observable market prices or rates, including: (i) market approach by using initial cost of the investment itself or a multiple of earnings, or of revenue depending on the stage of development of an enterprise; and (ii) income approach by using the discounted cash flows or earnings of underlying business based on reasonable assumptions and estimations of expected future cash flows (or expected future earnings), the terminal value, and the appropriate risk-adjusted rate that captures the risk inherent in the projections.

The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income or profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group invests in unlisted investments, which represent wealth management products issued by financial institutions in Mainland China. The Group has estimated the fair values of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets and liabilities measured at fair value:

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB million*	Significant observable inputs (Level 2) *RMB million*	Significant unobservable inputs (Level 3) *RMB million*	Total *RMB million*
Assets				
Bills receivable	–	1,134	–	1,134
Equity investments designated at fair value through other comprehensive income	21,994	–	5,186	27,180
Financial assets at fair value through profit or loss	672	–	27,259	27,931
Derivative financial instruments				
– Interest rate swap	–	42	–	42
– Foreign exchange option	–	–	377	377
Total	22,666	1,176	32,822	56,664
Liabilities				
Derivative financial instruments				
– Forward currency contracts	–	–	–	–

47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments: (continued)

Assets and liabilities measured at fair value: (continued)

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB million*	Significant observable inputs (Level 2) *RMB million*	Significant unobservable inputs (Level 3) *RMB million*	Total *RMB million*
Assets				
Bills receivable	–	961	–	961
Equity investments designated at fair value through other comprehensive income	16,730	–	4,695	21,425
Financial assets at fair value through profit or loss	967	–	27,187	28,154
Derivative financial instruments				
– Interest rate swap	–	48	–	48
– Foreign exchange option	–	–	365	365
Total	17,697	1,009	32,247	50,953
Liabilities				
Derivative financial instruments				
– Forward currency contracts	–	5	–	5

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2023: Nil).

The movements in fair value measurements within Level 3 during the year are as follows:

	2024 ***RMB million***	2023 *RMB million*
At 1 January	**32,247**	25,532
Total losses recognised in the consolidated statement of profit or loss included in other gains	**(1,059)**	(963)
Total gains/(losses) recognised in other comprehensive income	**24**	(14)
Purchases	**6,975**	9,387
Disposals	**(5,365)**	(1,695)
At 31 December	**32,822**	32,247

47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

Liabilities for which fair values are disclosed:

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) ***RMB million***	**Significant observable inputs (Level 2)** ***RMB million***	**Significant unobservable inputs (Level 3)** ***RMB million***	**Total** ***RMB million***
Bank borrowings	**–**	**387,939**	**–**	**387,939**
Corporate bonds	**4,000**	**28,876**	**–**	**32,876**
Non-public debt instruments	**–**	**15,834**	**–**	**15,834**
Other borrowings (other than lease liabilities)	**–**	**5,125**	**–**	**5,125**
Total	**4,000**	**437,774**	**–**	**441,774**

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB million*	Significant observable inputs (Level 2) *RMB million*	Significant unobservable inputs (Level 3) *RMB million*	Total *RMB million*
Bank borrowings	–	367,564	–	367,564
Corporate bonds	4,000	12,419	–	16,419
Non-public debt instruments	–	8,903	–	8,903
Other borrowings (other than lease liabilities)	–	4,719	–	4,719
Total	4,000	393,605	–	397,605

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the finance department under policies approved by the board of directors. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign currency risk

The functional currency of the majority of the entities within the Group is RMB. Most of the Group's transactions are based and settled in RMB. Foreign currencies are used to settle the Group's revenue from overseas operations, the Group's purchases of machinery and equipment from overseas suppliers, and certain expenses.

RMB is not freely convertible into other foreign currencies and conversion of RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC Government.

As at 31 December 2024, the Group's aggregate net liabilities of RMB6,212 million, including trade and other receivables, cash and bank balances, trade and other payables and borrowings, were denominated in foreign currencies, mainly USD.

To manage the impact of currency exchange rate fluctuations, the Group continually assesses its exposure to currency risks, and a portion of those risks is hedged by using derivative financial instruments when management considers necessary.

As at 31 December 2024, if RMB had strengthened/weakened by 5% against USD with all other variables held constant, pre-tax profit for the year would have been decreased/increased by approximately RMB155 million (2023: RMB224 million), mainly as a result of foreign exchange losses/gains on translation of USD-denominated trade and other receivables, cash and cash equivalents.

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified in the consolidated statement of financial position either as equity investments designated at fair value through other comprehensive income or financial assets or financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The table below summarises the impact of increases/decreases of quoted price in open markets on the Group's pre-tax profit for the year and on equity. The analysis is based on the assumption that the equity price had increased/decreased by 10% with all other variables held constant:

	2024	2023
Increase/decrease in quoted price in open markets	**10%**	10%

	2024 ***RMB million***	2023 *RMB million*
Impact on profit before tax for the year	**33**	58
Impact on equity (excluding retained profits)	**2,199**	1,673

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(iii) Interest rate risk

The Group's interest rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. During 2024 and 2023, the Group's borrowings at variable rates were mainly denominated in RMB, USD, Euro and Hong Kong dollar.

Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

Increase in interest rates will increase the cost of new borrowings and the interest expense with respect to the Group's outstanding floating rate borrowings, and therefore could have an adverse effect on the Group's financial position. Management continuously monitors the interest rate position of the Group and makes decisions with reference to the latest market conditions. From time to time, the Group may enter into interest rate swap agreements to mitigate its exposure to interest rate risks in connection with the floating rate borrowings, although the directors did not consider it was necessary to do so in 2024 and 2023.

As at 31 December 2024, the Group's borrowings of approximately RMB353,154 million (31 December 2023: RMB315,954 million) were at variable rates. As at 31 December 2024, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, profit before tax for the year would have decreased/increased by RMB3,532 million (31 December 2023: RMB3,160 million), mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

The carrying amounts of cash and bank balances, trade and other receivables except for prepayments and derivative financial instruments, represent the Group's maximum exposure to credit risk in relation to financial assets.

Maximum exposure and year-end staging as at 31 December 2024

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are net carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2024

	12-month ECLs		Lifetime ECLs		
	Stage 1 *RMB million*	Stage 2 *RMB million*	Stage 3 *RMB million*	Simplified approach *RMB million*	*RMB million*
Contract assets*	–	–	–	513,746	513,746
Trade and other receivables*	362,833	46,594	1,531	139,771	550,729
Debt investments at amortised cost	–	–	1,322	–	1,322
Restricted bank deposits and time deposits with an initial term of over three months – Not yet past due	7,507	–	–	–	7,507
Cash and cash equivalents – Not yet past due	134,974	–	–	–	134,974
Guarantees given to banks in connection with facilities granted to associates and joint ventures	3,522	–	–	–	3,522
Total	508,836	46,594	2,853	653,517	1,211,800

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

As at 31 December 2023

	12-month ECLs		Lifetime ECLs		
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB million	*RMB million*	*RMB million*	*RMB million*	*RMB million*
Contract assets*	–	–	–	452,612	452,612
Trade and other receivables*	313,270	42,253	2,920	118,232	476,675
Debt investments at amortised cost	–	–	1,240	–	1,240
Restricted bank deposits and time deposits with an initial term of over three months					
– Not yet past due	10,730	–	–	–	10,730
Cash and cash equivalents					
– Not yet past due	110,253	–	–	–	110,253
Guarantees given to banks in connection with facilities granted to associates and joint ventures	3,714	–	–	–	3,714
Total	437,967	42,253	4,160	570,844	1,055,224

* For contract assets, trade and other receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 24 and note 25 to the financial statements, respectively.

As at 31 December 2024, the financial assets classified to stage 3 for lifetime ECLs are debt investments at amortised cost, other receivables and long-term receivables with a gross carrying amount of approximately RMB5,237 million (2023: RMB10,051 million). Further quantitative data in respect of the Group's exposure to credit risk arising from other receivables and long-term receivables are disclosed in note 25 to the consolidated financial statements.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk

Liquidity risk encompasses the risk that the Group cannot meet its financial obligations in full.

The Group's maturity analysis of borrowings that shows the remaining contractual maturities is disclosed in note 30.

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities. Due to the capital-intensive nature of the Group's business, the Group ensures that it maintains flexibility through keeping sufficient cash and cash equivalents and credit lines to meet its liquidity requirements. The Group finances its working capital requirements through a combination of funds generated from operations and banks and other borrowings.

Due to the Group's supplier finance arrangements, the relevant trade payables are due to a single counterparty rather than individual suppliers. This results in the Group being required to settle a significant amount with a single counterparty, rather than less significant amounts with a number of suppliers. However, the Group's payment terms for trade payables covered by the arrangements are either identical to the payment terms for other trade payables or extended to no more than 180 days. Management does not consider the supplier finance arrangements to result in excessive concentrations of liquidity risk given that the payment terms are not significantly extended. Details of the arrangements are disclosed in note 28 to the financial statements.

The table below analyses the Group's non-derivative financial liabilities and derivative financial instruments into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity dates, and the amounts disclosed in the table are the contractual undiscounted cash flows.

2024

	Less than 1 year *RMB million*	**Between 1 and 2 years** *RMB million*	**Between 2 and 5 years** *RMB million*	**Over 5 years** *RMB million*	**Total** *RMB million*
Borrowings (excluding lease liabilities)	**155,399**	**91,742**	**170,971**	**265,341**	**683,453**
Lease liabilities	**1,470**	**746**	**977**	**856**	**4,049**
Trade and other payables (excluding statutory and non-financial liabilities)	**591,070**	**40,390**	**18,793**	**3,509**	**653,762**
Total	**747,939**	**132,878**	**190,741**	**269,706**	**1,341,264**

2023

	Less than 1 year *RMB million*	Between 1 and 2 years *RMB million*	Between 2 and 5 years *RMB million*	Over 5 years *RMB million*	Total *RMB million*
Borrowings (excluding lease liabilities)	127,540	71,350	149,461	268,667	617,018
Lease liabilities	926	925	799	644	3,294
Trade and other payables (excluding statutory and non-financial liabilities)	521,638	42,465	8,168	2,254	574,525
Net-settled derivative financial instruments	5	–	–	–	5
Total	650,109	114,740	158,428	271,565	1,194,842

The Group's contractual amounts relating to loan guarantees and liquidity support are disclosed in note 40 of the consolidated financial statements.

Derivative financial instruments comprise forward currency contracts used by the Group to hedge the exposure to foreign currency risk.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash assets and cash equivalents. Total capital is calculated as "Equity" as shown in the consolidated statement of financial position plus net debt. The Group aims to maintain the gearing ratio at a reasonable level.

The Group has established supplier finance arrangements to manage its working capital, details of which are included in note 28 to the financial statements.

	31 December 2024 ***RMB million***	31 December 2023 *RMB million*
Total borrowings *(note 30)*	**586,323**	511,626
Less: Cash and cash equivalents	**134,974**	110,407
Net debt	**451,349**	401,219
Total equity	**467,815**	459,200
Total capital	**919,164**	860,419
Gearing ratio	**49.1%**	46.6%

The Group's gearing ratio increases from 46.6% to 49.1% on 31 December 2024 as compared with the ratio as at 31 December 2023.

49. EVENT AFTER THE REPORTING PERIOD

On 27 March 2025, the Board of Directors proposed a total annual dividend distribution totalling approximately RMB4,911 million to the shareholders, subject to the shareholders' approval at the forthcoming AGM. Of this amount, the interim dividend of RMB2,280 million approved by the Company's EGM on 29 November 2024 has been recognised as a liability in the financial statements, while the remaining dividend of RMB2,631 million proposed after the end of the reporting period, has not been recognised as a liability at the end of the reporting period.

50. COMPARATIVE AMOUNTS

As stated in note 2.3, due to the acquisition of subsidiaries under common control as mentioned in note 41(b), the comparative information has been restated.

51. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2024 RMB million	2023 RMB million
Non-current assets		
Property, plant and equipment	193	171
Right-of-use assets	115	79
Investment properties	1,588	1,645
Intangible assets	850	636
Investments in subsidiaries	179,580	172,171
Investments in joint ventures	6,018	5,480
Investments in associates	13,331	12,832
Financial assets at fair value through profit or loss	1,115	799
Equity investments designated at fair value through other comprehensive income	7,919	5,609
Contract assets	2,267	1,478
Trade and other receivables	3,202	3,150
Loans to subsidiaries	427	427
Amounts due from subsidiaries	780	687
Total non-current assets	217,385	205,164
Current assets		
Inventories	484	488
Contract assets	9,678	7,369
Trade and other receivables	9,589	12,418
Loans to subsidiaries	5,084	3,564
Amounts due from subsidiaries	47,908	42,828
Restricted bank deposits	39	77
Cash and cash equivalents	16,916	23,269
Total current assets	89,698	90,013
Current liabilities		
Trade and other payables	19,399	6,350
Contract liabilities	5,613	3,429
Amounts due to subsidiaries	44,313	62,756
Tax payables	206	1,669
Interest-bearing bank and other borrowings	47,500	32,535
Retirement benefit obligations	2	2
Total current liabilities	117,033	106,741
Net current liabilities	(27,335)	(16,728)
Total assets less current liabilities	190,050	188,436

Continued/···

51. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

	2024 RMB million	2023 RMB million
Total assets less current liabilities	**190,050**	188,436
Non-current liabilities		
Trade and other payables	**331**	186
Deferred income	**5**	5
Amounts due to subsidiaries	**6,857**	6,289
Interest-bearing bank and other borrowings	**20,165**	24,381
Deferred tax liabilities	**2,089**	570
Retirement benefit obligations	**22**	22
Provisions	**19**	4
Total non-current liabilities	**29,488**	31,457
Net assets	**160,562**	156,979
Equity		
Share capital	**16,279**	16,264
Treasury shares	**(597)**	(522)
Share premium	**20,109**	20,049
Financial instruments classified as equity	**31,000**	35,000
Reserves *(note)*	**93,771**	86,188
Total equity	**160,562**	156,979

51. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

	Capital reserve *RMB million*	Statutory surplus reserve *RMB million*	Remeasurement reserve *RMB million*	Investment revaluation reserve *RMB million*	Exchange reserve *RMB million*	Retained earnings *RMB million*	Total *RMB million*
At 31 December 2023	**21,798**	**11,833**	**62**	**3,993**	**26**	**48,476**	**86,188**
Profit for the year	–	–	–	–	–	**14,203**	**14,203**
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	**1,731**	–	–	**1,731**
Share of other comprehensive income of joint ventures and associates	–	–	–	**(1)**	–	–	**(1)**
Share of other reserves of joint ventures and associates	**9**	–	–	–	–	–	**9**
Actuarial losses on retirement benefit obligations, net of tax	–	–	**(3)**	–	–	–	**(3)**
Exchange differences on translation of foreign operations	–	–	–	–	**16**	–	**16**
Share-based payment	**240**	–	–	–	–	–	**240**
Final 2023 and Mid-term 2024 dividend declared	–	–	–	–	–	**(7,042)**	**(7,042)**
Interest on perpetual securities	–	–	–	–	–	**(1,570)**	**(1,570)**
Transfer to statutory surplus reserve	–	**1,420**	–	–	–	**(1,420)**	–
At 31 December 2024	**22,047**	**13,253**	**59**	**5,723**	**42**	**52,647**	**93,771**

	Capital reserve *RMB million*	Statutory surplus reserve *RMB million*	Remeasurement reserve *RMB million*	Investment revaluation reserve *RMB million*	Exchange reserve *RMB million*	Retained earnings *RMB million*	Total *RMB million*
At 31 December 2022	21,754	9,573	62	5,412	(13)	33,043	69,831
Profit for the year	–	–	–	–	–	22,595	22,595
Changes in fair value of equity instruments designated at fair value through other comprehensive income, net of tax	–	–	–	(1,424)	–	–	(1,424)
Share of other comprehensive loss of joint ventures and associates	–	–	–	5	–	–	5
Exchange differences on translation of foreign operations	–	–	–	–	39	–	39
Equity trading	(87)	–	–	–	–	–	(87)
Issuance of perpetual securities	(15)	–	–	–	–	–	(15)
Share-based payment	146	–	–	–	–	–	146
Final 2022 dividend declared	–	–	–	–	–	(3,509)	(3,509)
Interest on perpetual securities	–	–	–	–	–	(1,393)	(1,393)
Transfer to statutory surplus reserve	–	2,260	–	–	–	(2,260)	–
At 31 December 2023	21,798	11,833	62	3,993	26	48,476	86,188

52. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of directors on 27 March 2025.

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